



# Bulletin

Vol. XLIII, No. 1112

October 17, 1960

**PRESIDENT EISENHOWER REPLIES TO LETTER REGARDING MEETING WITH SOVIET PREMIER . . . . .** 595

**A BROAD LOOK AT THE INTERNATIONAL SITUATION • by Under Secretary Dillon . . . . .** 597

**U.S. PARTICIPATION IN THE UNITED NATIONS DURING 1959 • President's Letter Transmitting 14th Annual Report to Congress . . . . .** 624

**THE FINANCIAL PROBLEMS OF A DEVELOPING WORLD ECONOMY • Annual Meetings of Boards of Governors of World Bank, International Monetary Fund, and International Finance Corporation**  
*Statements by Secretary of the Treasury Robert B. Anderson . . . . .* 607  
*Message From President Eisenhower . . . . .* 607  
*Statement by Under Secretary of State Douglas Dillon . . . . .* 608  
*Statement by Assistant Secretary of the Treasury T. Graydon Upton . . . . .* 616

CALIFORNIA  
STATE LIBRARY

OCT 26 1960

DOCUMENTS SECTION X

*For index see inside back cover*

AL  
RECORD

STATES  
IN POLICY

THE DEPARTMENT OF STATE

# Bulletin

VOL. XLIII, No. 1112 • PUBLICATION 7087

October 17, 1960

The Department of State BULLETIN, a weekly publication issued by the Office of Public Services, Bureau of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.

For sale by the Superintendent of Documents  
U.S. Government Printing Office  
Washington 25, D.C.

PRICE:  
52 issues, domestic \$8.50, foreign \$12.25  
Single copy, 25 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 20, 1958).

**Note:** Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated.

Pres  
Reg

White H  
Foll  
replies  
cation  
Nkrum  
nesia,  
public  
Minist

I ha  
formin  
curren  
tion ca  
of the  
myself  
cern e  
presen  
under  
which

As I  
on eve  
bility  
tional

Fol  
govern  
Summ  
tain o  
proble  
Franc  
dom  
"They  
all ou  
be set  
peace  
selves  
tions

Spe  
still h

<sup>1</sup> For

Octob

## President Eisenhower Replies to Letter Regarding Meeting With Soviet Premier

White House press release dated October 2

*Following is the text of identical but individual replies by President Eisenhower to the communication of September 29th received from President Nkrumah of Ghana, President Sukarno of Indonesia, President Nasser of the United Arab Republic, President Tito of Yugoslavia, and Prime Minister Nehru of India.*

I have received your letter of September 29, informing me of your intention to submit to the current session of the General Assembly a resolution calling for a meeting between the Chairman of the Council of Ministers of the U.S.S.R. and myself. I assure you again that I share the concern expressed in this communication over the present state of international relations, and I understand and sympathize with the motives which led you to propose this step.

As President of the United States I have sought on every occasion to explore to the full any possibility for the resolution of outstanding international questions by negotiation.

Following the refusal last May of the Soviet government to participate in the long awaited Summit Conference which was to deal with certain of these questions, especially disarmament and problems arising out of the war, the President of France, the Prime Minister of the United Kingdom and I issued a declaration which stated: "They remain unshaken in their conviction that all outstanding international questions should not be settled by threat or the use of force but by peaceful means through negotiation. They themselves remain ready to take part in such negotiations at any suitable time in the future."<sup>1</sup>

Speaking for the United States this statement still holds good.

I have at no time utilized any threats whatsoever with reference to any international question. This is, I am sure you will agree, a matter of historical record.

On the other hand, the Soviet Union far from following a comparable policy of restraint appears to have undertaken with deliberate intent a policy of increasing tension throughout the world and in particular of damaging relations with the United States.

Instead of avoiding threats of the use of force, the Soviet government has threatened rocket retaliation against many members of the United Nations including the United States on the pretext of contrived and imaginary intentions on the part of these countries. While these threats have necessarily only strengthened our resolve to maintain our readiness to deter and, if necessary, to resist any aggression, they have nevertheless caused uneasiness throughout the world.

The Soviet Government has refused any thought of an impartial international body to investigate the shooting down on July 1 of an aircraft of the United States Air Force, and is still holding incommunicado two members of its crew.<sup>2</sup>

The Soviets have unilaterally disrupted the tenation disarmament talks in Geneva with full knowledge that the Western Powers there represented were about to submit new proposals which took into account those made earlier by the Soviet Union.<sup>3</sup>

I believe that a comparison of the international behavior of the participants of the Paris Meeting since its collapse demonstrates where the responsibility lies for the increase of international tension

<sup>2</sup> For background, see *ibid.*, Aug. 1, 1960, p. 163; Aug. 8, 1960, p. 209; and Aug. 15, 1960, p. 235.

<sup>3</sup> *Ibid.*, July 18, 1960, p. 88.

<sup>1</sup> For text, see BULLETIN of June 6, 1960, p. 905.

and the failure to make any progress in the solution of outstanding problems.

I reiterate what I said in my speech before the General Assembly on September 22:<sup>4</sup> The United States is always ready to undertake serious negotiations with the Soviet Union and other interested countries on any unresolved international question, and especially in the field of disarmament. I also pointed out that there are needs for great constructive action, for which I have made proposals to the General Assembly, that are primary in their importance to the peace and progress of major areas of the world. However, the chief problems in the world today are not due to differences between the Soviet Union and the United States alone, and therefore are not possible of solution on a bilateral basis.

The questions which are disrupting the world at the present time are of immediate and vital concern to other nations as well. The importance of these matters is such as to go beyond personal or official relations between any two individuals to impede their solution, and I have many times personally pledged myself, regardless of every kind of personal consideration, to meet with anyone at any time if there is any serious promise of productive results. There is nothing in the words or actions of the government of the Soviet Union which gives me any reason to believe that the meeting you suggest would hold any such promise. I would not wish to participate in a mere gesture which, in present circumstances, might convey a thoroughly misleading and unfortunate impression to the peoples of the world.

If the Soviet Union seriously desires a reduction in tensions it can readily pave the way for useful negotiations by actions in the United Nations and elsewhere. If Soviet representatives should wish to discuss concrete measures to reduce tensions my representatives, including the Secretary of State, are always available for this purpose. Should such exploratory discussions reveal that the Soviet Union is prepared to return to the path of peaceful negotiation with some prospect of fruitful results then I personally would be prepared to meet and negotiate with the representative of the Soviet Government and with the heads of other governments as their interests were involved.

Sincerely,

DWIGHT D. EISENHOWER

<sup>4</sup> For text, see *ibid.*, Oct. 10, 1960, p. 551.

## British, Australian Prime Ministers Meet With President Eisenhower

### JOINT STATEMENT, SEPTEMBER 27

White House press release dated September 27

The President of the United States and the Prime Minister of Great Britain [Harold Macmillan] had a breakfast meeting this morning starting at 8:00 o'clock in the President's suite in the Waldorf Astoria Hotel. They were joined at 9:00 a.m. by the Secretary of State and British Foreign Secretary Lord Home.

The President and the Prime Minister reviewed the situation in the General Assembly of the United Nations and considered the policies best pursued by their two countries towards their common goal. They were in complete agreement as to the vital role of the United Nations, particularly in the Congo crisis and the need to give full support to the Secretary-General in his task. They greatly hope that after a stormy start the General Assembly will now be able to concentrate on serious, sober and constructive work, notably in the matter of disarmament.

### JOINT STATEMENT, OCTOBER 2

White House press release dated October 2

The Prime Minister of Australia [R. G. Menzies] met for an hour and a half at the White House this morning with the President of the United States and the Prime Minister of the United Kingdom. They continued the discussion of current problems at the United Nations which the President and Mr. Macmillan had started in New York on Tuesday last. They adjourned their meeting at 10:50 a.m.

All three were agreed in the hope that the General Assembly will now be able to achieve real progress on the problems confronting it, notably that of disarmament.

The United States and British Secretaries of State plan to meet again this afternoon at the British Embassy at 2:30 to carry forward the review of certain of the points under discussion this morning.



## A Broad Look at the International Situation

by Under Secretary Dillon<sup>1</sup>

I am deeply honored to participate in this 80th anniversary of the Polish National Alliance, which has a proud history of service to its widespread membership and of patriotic dedication to the best interests of our country. Your untiring efforts to help keep the flame of liberty burning brightly in the hearts of the courageous people of Poland command the admiration of all your fellow Americans.

A major factor influencing present-day Polish-American relations is the friendship which has existed between our peoples since the days of the American Revolution. This friendship has been enhanced over the years by a large emigration to our shores of Poles who, as welcome and respected members of the American community, have broadened the ties between our two nations. Indeed, it is difficult to find a Pole without a relative in Buffalo, Pittsburgh, or here in Chicago.

American policy toward Poland reflects these ties, as well as our continuing interest in the welfare of the Polish people. We have advanced substantial credits for the purchase of our surplus agricultural commodities and, in more limited amounts, for the purchase of other necessities. These arrangements have brought great benefits to the Polish people. For example, in recent years we have extended credits to buy polio vaccine which has been used, together with privately donated American supplies, to immunize about 3 million Polish children.

We favor increased trade with Poland. We encourage expanded educational, informational, cultural, and other exchanges between the two countries. The United States distributes a Polish-language magazine in Poland, while a Polish

publication appears on newsstands in this country. A year ago we reopened the American consulate in Poznan, and the Poles reestablished their consulate here in Chicago.

Despite differences in social systems, we believe that we should continue to provide tangible evidence of our sympathetic interest in the welfare of the Polish people. We also believe that the Polish people welcome our assistance and appreciate our concern for them.

As we meet here this evening, the world's attention is focused upon New York City, where representatives of nearly 100 countries are gathered for a long and difficult General Assembly of the United Nations which is of critical importance to all men everywhere. Tonight I would like you to join me in a broad look at the state of our international relations, at the underlying problems which confront humanity today, and at the efforts we must make to resolve these problems by working with other countries—both friendly and unfriendly—within the framework of the United Nations.

In several respects the international scene inspires hope and confidence. The last 15 years have witnessed great progress:

- Despite serious breaches of the peace, mankind has thus far avoided the incredible horrors of a general war.
- Man has moved beyond our planet and begun probing outer space.
- Science has developed means to eradicate or control many serious diseases and has helped to increase production of goods vitally needed in the unending struggle against hunger and want.
- A great many peoples have achieved national independence. At no time in history have so many new nations come into existence in so short a period. At the United Nations tonight there are

<sup>1</sup>Address made before the Polish National Alliance at Chicago, Ill., on Oct. 2 (press release 577 dated Oct. 1).

representatives of more than a dozen governments who were not there a year ago.

• Most important of all has been the growth of international cooperation. Never before have so many nations, both old and new alike, worked together through the U.N. and various regional organizations to promote scientific advancement, to eliminate disease, to mitigate poverty, to assure international security, and to establish and maintain conditions of lasting peace. Despite setbacks, despite the never-ending efforts of the Soviet Union to sabotage relations between nations by demagoguery, deceit, and duplicity, cooperation has become a concrete fact of international life. A dramatic case in point was the action of the United Nations when it firmly rebuked Soviet intervention in Africa and voted 70 to nothing, with the Soviet bloc abstaining, to support U.N. Secretary-General Dag Hammarskjöld's impartial efforts to bring order out of chaos in the Congo.<sup>2</sup>

The progress I have outlined should give us hope for the future. But we are compelled to recognize that the world is confronted today by grave problems which influence every sector of human activity—and even endanger the existence of the whole human species.

#### **Buildup in World Tensions**

The first of these basic international problems is the steady buildup in world tensions deliberately engineered by the Soviet Union—of which Premier Khrushchev's performance at the General Assembly is but the most recent example.

In his intemperate attack upon Secretary-General Hammarskjöld, Premier Khrushchev made it clear that he seeks nothing less than to destroy the authority of the U.N. by turning executive authority over to a Soviet-type presidium. He does so because Soviet doctrine allows for only one world system—a Communist one, ruled from Moscow—and cannot tolerate any rival organization with effective strength or authority.

The Soviets will not, of course, succeed in their efforts to destroy the authority, the dignity, and the prestige of the U.N. Mr. Khrushchev's statements and conduct since the Assembly began its current work are an affront to the intelligence and judgment of the leaders of all non-Communist

countries—and particularly to the leaders of those nations which have only recently achieved independence. For these leaders recognize that the U.N. is a principal vehicle for the advancement of their national interests and the strongest safeguard of their newly won freedom. They know that it is to the U.N., with its stature as the forum in which the hopes and aspirations of mankind can be freely expressed—and, when necessary, protected—that all countries can turn in time of need. They are anxious to see the U.N. strengthened rather than weakened.

#### **Menace of Communist Imperialism**

Mr. Khrushchev's strident and bellicose attempts to convert the U.N. into an instrument of Communist power politics have roots in an even more fundamental problem, which is the second great problem confronting the world today—and perhaps the most important of all. This is the menace of Communist imperialism.

Imperialism is an old problem. But all reasonable men recognize that 19th-century colonialism has outlived its day and is fast disappearing. Since the end of World War II some 35 former colonies, protectorates, and other dependent areas—with a total population of over 800 million people—have won independence as members of the free world. In most cases they were helped to freedom by the same Western powers they were previously dependent upon, and have received substantial economic aid from fellow members of the free world.

It is against this background that Mr. Khrushchev has just demanded an end to "colonialism." This is surely one of the most audacious demonstrations in history of the "big lie" technique. For, while the colonialism of the Western European powers is steadily and surely making way for independence, the reverse process has been ruthlessly put into operation within the Soviet bloc by the Soviet Communist Party. Today the world is confronted by a new kind of imperialism—Soviet Communist imperialism—which is more comprehensive and more infamous than anything mankind has ever known.

During the revolutionary events of 1917 in Russia, Lenin proclaimed the slogan of self-determination of peoples. What did this mean in practice? After the downfall of the former czarist

<sup>2</sup> BULLETIN of Oct. 10, 1960, p. 583.

empire, many of its peoples organized their own governments. But no sooner had Soviet power established itself than the slogan of self-determination was annulled. Self-determination, yes, the Bolsheviks said, for all peoples who wish to escape from the domination of imperial powers—but, since we have determined that our Soviet state is, by self-definition, not an imperialist state, no people have the right to escape from it.

Under the banner of this sophistry, Soviet power ruthlessly proceeded to crush every attempt by non-Russian peoples to free themselves from the new colonial yoke of Soviet communism. The Armenians, the Georgians, the Ukrainians, the Tatars, the Turkomans, Uzbeks, and Tajik—and many others who attempted to escape from the czarist “prison-house of the nations,” as Marx called it—were thrust by force into the Communist straitjacket.

Nor did the Russian people themselves have any opportunity freely to determine the form of government and economic system under which they would live. The only free election ever held in Russia—the election in 1917 of deputies to the Constituent Assembly—resulted in a disastrous defeat for the Bolsheviks, who thereupon dispersed the Constituent Assembly at bayonet point.

Communist imperialism has also been extended to Eastern Europe, where today 100 million people live in subjugation to an alien and unwanted ideology, maintained by fire and sword—as the bloody massacres of Budapest testify.

Let us consider but a few aspects of this new 20th-century colonial imperialism:

Let us take Central Asia: In Kazakhstan, according to the latest Soviet census, Russians outnumber the Kazakhs, who now account for only 30 percent of the population. In their own country, therefore, the Kazakhs are rapidly being reduced to a minority which, even if the opportunity for true self-determination were ever granted, could not hope to establish a national state responsive to their legitimate aspirations. Today a growing number of people are being sent to Kazakhstan from the European part of the U.S.S.R. in furtherance of a policy of deliberate Russification. Whereas the cities and the ruling elements of Kazakhstan are now preponderantly Russian, the Kazakhs are the peasants who are allowed to work the collective farms for their Russian masters.

In Lithuania, Latvia, and Estonia large numbers of the Baltic peoples have been sent to die in prison camps in remote parts of the Soviet empire, while colonizers from Russia have been moved in to take their places.

Smaller nations, such as the Tatars of the Crimea and the Volga Germans, have simply disappeared.

The fate of 17 million East Germans, cruelly and arbitrarily separated from their kin and compatriots in the Federal Republic, is a particularly sordid example of Soviet scorn for the principle of free self-determination.

If anyone should doubt the existence and character of this new imperialism, let him consider that nowhere else in the world, except in the anthill dictatorship of Communist China, do governments find it necessary to fence their peoples in by force. The sealed borders of the Soviet empire, the impossibility of obtaining a passport for foreign travel unless one is a member of the new Communist ruling class—these are the most eloquent testimony to the fate of subject peoples under the Communist colonial system.

The new nations represented tonight at the General Assembly would do well to remember these tragic human realities when they hear Communist boasts of “progress.” They would also do well to remember that Sino-Soviet Communist leaders have openly and repeatedly asserted their determination to establish a universal Communist dictatorship. Communist leadership is pursuing its goal with tenacious energy, using a massive variety of techniques. Sometimes—as in Korea, Hungary, and Tibet—it employs naked force. Sometimes it seeks to establish control through invasions disguised as revolutions or civil wars. It employs a flood of propaganda, specifically tailored to the prejudices and interests of each country. It employs a vast network of espionage and subversive agents, sometimes masquerading as friendly technicians. It supports Communist political parties in every nation which permits opposing political parties to function. It uses cultural contacts, and economic and technical aid, as well as trade, to serve the purpose of political penetration. There is virtually no aspect of human life which communism has not utilized as a weapon for expansion. Soviet Communist imperialism is not an ideological theory but a sordid fact.

The Soviet imperialists speak of "peaceful co-existence." It is important that this jargon be translated into words that ordinary men can understand. The actual meaning is relatively simple: It is the slogan under which these 20th century imperialists aim to conquer the world without risking general war. They utilize economic pressure, political infiltration, and civil disturbances. However, they have proved over and over again, in Albania, Bulgaria, Czechoslovakia, East Germany, Estonia, Hungary, Korea, Latvia, Lithuania, Poland, Rumania, Tibet—and Finland—that they are prepared to use violent means whenever their ambitions cannot be realized by other means.

Unquestionably, the threat of aggressive Communist imperialism is severe. However, I have the utmost confidence that the Soviet leaders will not succeed in their ambitions. The lively spirit of independence exhibited by the leaders and peoples of the new nations reinforces my conviction that they will successfully repel Moscow's attempts to subjugate them. Human beings everywhere are demanding freedom for themselves and their children, and they will not lightly barter it away for false promises of material progress when this supposed "progress" carries with it loss of liberty and human dignity. The new nations now coming into existence will survive and prosper in freedom and independence long after the Communist system itself has become obsolete! And we can be certain that sooner or later the freedom so dear to the peoples of Eastern Europe will be theirs once again. The Soviet Communist overlords will not be able to keep these proud peoples in bondage indefinitely. Certainly we in the United States will never accept the present situation in Eastern Europe as anything but a temporary nightmare before the inevitable dawn of freedom.

### Disarmament

A third great problem confronting the world at this time—and one which the United States has actively worked to solve—is to reach agreement on controlled disarmament. The menace of nuclear aggression from the Soviets and the expansion of their military capabilities behind their mantle of secrecy have left us no alternative but to maintain our own defensive position. Thus we have been forced against our will into an armaments race which obviously contributes to international ten-

sions. It increases the risk of war by accident or miscalculation. It complicates the settlement of political disputes. It involves a tremendous waste of human and material resources. It produces a steady drain upon capital, manpower, raw materials, and industrial production, which might otherwise be used to improve the living standards, health, and general well-being of all mankind.

The United States has sought agreement on disarmament for many years. As early as 1946 we offered to give up our monopoly of nuclear weapons. Since that time we have made many other specific disarmament proposals. Just 10 days ago President Eisenhower presented to the United Nations bold and far-reaching suggestions that would advance the ultimate goal of verified general and complete disarmament.<sup>3</sup> Among other suggestions, the President proposed the controlled end of the production of fissionable material for nuclear weapons as a step toward their elimination, and a United Nations surveillance body to reduce the danger of war by miscalculation.

We call upon the Soviet Government to cooperate in removing the shadow of annihilation which hangs over mankind. We are prepared to continue negotiations toward this goal—at any time, at any place, and under any conditions which offer a reasonable opportunity for genuine progress.

We are also prepared to conduct these negotiations in a spirit of sincerity and conciliation. We do not insist that a single disarmament plan must be accepted and that all other possibilities must be excluded. We will not "walk out" of disarmament negotiations—as the Soviets have done—simply because our own proposals are not adopted without qualification. We insist only that any disarmament program, to be effective, must embody certain fundamental principles.

The first principle is that any disarmament arrangements must be accompanied by workable measures for verification and control. We have never asked for unreasonable inspection, but we have steadfastly maintained that effective control must accompany disarmament at every stage. It would be inconceivable for the free world to dismantle its defensive power while permitting the Soviet Union to maintain a wall of secrecy around its armaments. Disarmament must be a verifiable fact, not merely a promise. Verification and con-

<sup>3</sup> *Ibid.*, p. 551.



control procedures cannot, as the Soviet Union proposes, apply solely to those elements of the military establishment that are to be reduced, but must also be applied to those elements that remain. In other words, it is not enough to know how many soldiers have been demobilized. Even more, it is vital to know how many soldiers remain under arms.

Secondly, it is imperative that any disarmament program proceed in carefully planned stages, which will insure protection for all nations. The world cannot afford, at any step in the disarmament process, to have any nation or group of other nations gain decisive military superiority over other nations or groups of nations. A disarmament program which permitted the Communist empire to attain, even temporarily, an overwhelming superiority would not bring the peace we all seek but might well precipitate a deadly war.

#### **Economic Growth of Underdeveloped Areas**

The fourth great problem confronting the world today is the problem of economic and technical growth of underdeveloped areas. Even if there were no danger of Communist imperialism, we nevertheless could not escape the fact that a large part of the world is still suffering from abysmal poverty, ignorance, and disease. In some areas these conditions have existed for generations. But such conditions are intolerable in a world which has the means to provide a remedy.

We Americans took the lead in providing such a remedy through our bilateral programs of aid to needy peoples which have been under way since the close of World War II. We are now being joined with increasing vigor by our prospering allies of Western Europe and Japan, who have recovered from the ravages of war with our help. But more—much, much more—remains to be done.

In extending aid, both bilaterally and through international organizations, we are concerned not only with the suffering of human beings but with the whole fabric of international society. It will be difficult for the newly independent states to preserve their freedom unless they can resolve the problems of economic and social stability. It would be difficult to achieve genuine and constructive international cooperation so long as many peoples of the world remained uneducated and lacked the simple necessities of life. We cannot

expect men to be calm and reasonable when they are hungry, resentful, and afraid.

The problem of economic and technical development is exceedingly complex. It cannot be solved solely with the resources of the less developed countries themselves, although their peoples must make an all-out effort in their own behalf. It cannot be solved simply by outside help. It can only be solved through wide, energetic, and thoughtful international cooperation.

It is equally clear that the task of economic and technical development cannot be accomplished through any single channel. In many instances a major contribution can be made through private investment and private industry. In other instances contributions must be made through bilateral arrangements between individual governments. In still other instances effective results may be obtained from regional programs. Finally, it is essential that the entire world community, acting through the U.N., contribute to the developmental process.

This last point was the essence of President Eisenhower's proposal at the General Assembly, when he called for massive aid to the new African states, especially the Congo, and asked that such aid be channeled through the United Nations.

While we Americans are justly proud of our social, political, and economic system, we do not proclaim its universal triumph nor seek to impose it on other nations. On the contrary, we have always sought to maintain friendly relations with nations having political and economic systems very different from our own. We have often given these nations substantial aid and support. In the case of Poland, for example, we have taken steps to develop our relations in many areas.

The United States does not ask that other nations attempt to remake themselves in the American image. We ask only that they maintain a genuine independence of their own, that they not conspire against the freedom of their neighbors, and that they fulfill their international obligations. Friendship does not require conformity. It requires only mutual responsibility and mutual respect.

We Americans seek peace. But there *is* a war which I believe we *must* wage. Not a war *against* other nations or peoples. But a war in alliance *with* other nations and peoples—endless and re-



lentless war—war against conditions which weaken the bodies and strangle the spirits of human beings. We must wage a powerful and concerted war against poverty, ignorance and disease, oppression and injustice.

Never before has mankind been confronted by such grave dangers nor by such magnificent opportunities. In the same hand we hold the power of death and destruction and the power of life and progress. We Americans have a profound conviction that mankind will choose the pathway of life. In this conviction—and no matter what the provocations with which we are confronted by Soviet Communist leaders at the United Nations—we must dedicate ourselves anew to the principles of the U.N. Charter and to the pursuit of peace, freedom, and prosperity for all the peoples of the earth.

## General Pulaski's Memorial Day, 1960

### A PROCLAMATION<sup>1</sup>

WHEREAS during our war for independence a young Polish patriot in exile, Count Casimir Pulaski, joined the Continental Army, was appointed a brigadier general and commander of cavalry, distinguished himself in various engagements, and raised and commanded a corps called the Pulaski Legion; and

WHEREAS while leading an assault to relieve the captured city of Savannah, Georgia, Pulaski received a wound which proved fatal on October 11, 1779; and

WHEREAS the present year marks the one hundred and eighty-first anniversary of Pulaski's death; and

WHEREAS in his selfless devotion to the cause of liberty, Pulaski is a continuing example to all men who strive toward the goals of freedom and justice;

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby designate Tuesday, October 11, 1960, as General Pulaski's Memorial Day.

I direct the appropriate officers of the Federal Government to display the flag of the United States on all Government buildings on that day; and I request the appropriate officers of the State and local governments likewise to display the flag on that day.

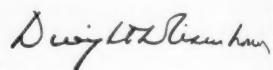
I also invite the people of the United States to observe the day in their homes, schools, churches, and other suitable places with ceremonies and with thoughts commemorative of the ideals and the heroism of General Pulaski.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

<sup>1</sup> No. 3375; 25 Fed. Reg. 9284.

DONE at the City of Washington this twenty-third day of September in the year of our Lord nineteen hundred and sixty, and of the Independence of the United States of America the one hundred and eighty-fifth.

By the President:  
DOUGLAS DILLON,  
Acting Secretary of State.



## Western Commandants in Berlin Protest East German Travel Curbs

Press release 563 dated September 27

*There follows the text of a letter from Gen. Jean Lacomme, French Commandant in Berlin, on behalf of the American, British, and French Commandants in reply to a letter of September 13<sup>1</sup> from Maj. Gen. N. Zakharov, Commandant of Soviet Forces in Berlin, concerning travel restrictions imposed by East German authorities.<sup>2</sup> The tripartite reply was delivered to General Zakharov on September 27.*

Your letter of September 13 contains such misapprehensions that I must once again call your attention to a few well-known facts.

As the Soviet Government was informed on October 3, 1955, by the Governments of France, the United Kingdom, and the United States,<sup>3</sup> the agreements of September 20, 1955, to which you refer, cannot alter, or in any way affect, the quadripartite status of Berlin or relieve the U.S.S.R. of its responsibilities, which it shares with France, the U.K., and the U.S., with respect to Berlin. In particular, the thesis implied in your letter that the eastern sector of Berlin is on the territory of the "GDR" [German Democratic Republic] or forms part of the territory of the "GDR" is in direct conflict with Berlin's quadripartite status. Furthermore, the restrictions announced by East German officials on August 30 and September 8, 1960, were in open violation of the right of free circulation in Berlin, as well as

<sup>1</sup> Not printed.

<sup>2</sup> For background, see BULLETIN of Sept. 19, 1960, p. 439, and Sept. 26, 1960, p. 473.

<sup>3</sup> For text of the U.S. note, see *ibid.*, Oct. 17, 1955, p. 616.

in direct contravention of the agreement made at Paris on June 20, 1949.<sup>4</sup>

The last two paragraphs of your letter refer to the air corridors. You will certainly recall that these were established by the decision of the Allied Control Council of November 30, 1945. The Three Allied Powers do not acknowledge any restriction on the use of the corridors by their aircraft and will continue to hold the U.S.S.R. fully responsible for ensuring air safety in them.

## **NATO Secretary General Visits Washington**

Press release 564 dated September 27

Paul-Henri Spaak, Secretary General of the North Atlantic Treaty Organization, will visit Washington from October 2 to October 4, at the invitation of the Secretary of State.

Mr. Spaak, accompanied by Ambassador W. Randolph Burgess, U.S. Permanent Representative to the North Atlantic Council, will arrive at Friendship Airport, Baltimore, October 2.

While in Washington, Secretary General Spaak will meet with the President, the Secretary of State, the Secretary of Defense, and other officials of both Departments.

## **U.S. Citizens Advised To Refrain From Travel to and Within Cuba**

### *Department Statement*

Press release 574 dated September 30

As the result of events in Cuba, the conditions prevailing there, and recent advice given to United States dependents, the Department of State has received inquiries from American citizens as to the advisability of tourist travel to and within Cuba.

In view of the circumstances it is believed prudent to advise United States citizens to refrain from travel to and within Cuba unless there are compelling reasons for such travel.

<sup>4</sup>For text, see *ibid.*, July 4, 1949, p. 857.

## **U.S. Protests Nationalization of U.S. Banks in Cuba**

Press release 575 dated September 30

### **DEPARTMENT ANNOUNCEMENT**

On September 29, 1960, U.S. Ambassador to Cuba Philip W. Bonsal personally delivered to the Deputy Foreign Minister of Cuba [Carlos Olivares Sánchez] a note strongly protesting the nationalization of three American-owned banks in Cuba. After reading the note of protest the Cuban official objected to certain language contained in the U.S. note and indicated his rejection of the protest. The note included the following sentence: "These statements recall only too vividly the statements which characterize the fraudulent propaganda of international communism." The statements to which the U.S. note referred are found in the resolution issued by the President and Prime Minister of Cuba on September 17, 1960, nationalizing the banks, among which are the following:

WHEREAS: It is not possible for a considerable portion of national banking to remain in the hands of imperialistic interests that inspired the reduction of our sugar quota by an act of cowardly and criminal economic aggression.

WHEREAS: Following the reduction of the sugar quota the Government of the United States of America and the representatives of the monopolistic interests of that country have continued repeating acts of open aggression against the Cuban economy, such as those limiting commerce between the two countries for the evident purpose of obstructing the economic development of Cuba, as well as the embargoes ordered, under the legal appearance of civil debts, against commercial aircraft of Cuban companies for the implicit purpose of diminishing our essential means of international communication, in an effort more marked from day to day, to isolate our country.

WHEREAS: There is no doubt that the survival of American banking in Cuba, the genuine and typical expression of the imperialistic phenomenon, is an obstacle to national liberation.

WHEREAS: To the above stated facts is joined the intentional conduct of the United States Government of facilitating and stimulating in its territory counter-revolutionary activities in which war criminals and fugitive traitors participate.

WHEREAS: In addition the work of international espionage carried on under orders of that Government with utter disregard of international law and a marked intention of developing conspiratory action in our country has been intensified.

## TEXT OF U.S. NOTE

SEPTEMBER 29, 1960

EXCELLENCY: I have the honor to refer to the Embassy's note number 344 of July 16, 1960<sup>1</sup> in which, under instructions from my government, I conveyed to Your Excellency the protest of the United States Government against Law Number 851 adopted by the Council of Ministers of the Government of Cuba on July 6, 1960. By this law, the President and Prime Minister of Cuba were empowered to decree the nationalization through forced expropriation of property located in Cuba of citizens of the United States of America. I reiterate that this law is in its essence discriminatory, confiscatory and arbitrary.

I refer also to my note number 362 of August 8, 1960,<sup>2</sup> in which I conveyed to Your Excellency the indignant protest of the Government of the United States against the action of the President and Prime Minister of Cuba, acting under the authority of the above cited law, in ordering, through resolution number one of August 6, 1960, the nationalization through forced expropriation of the properties of 26 companies wholly or partially owned by citizens of the United States of America.

The President and Prime Minister of Cuba have now issued resolution number two of September 17, 1960, also under color of the above-cited law, decreeing the nationalization through forced expropriation of the branches in Cuba of the Chase Manhattan Bank, the First National City Bank of New York and the First National Bank of Boston. I have been instructed by my government to protest against this new and unjustified action of Your Excellency's government, and to reject categorically the false statements concerning the activities and policies of these banks and of the Government of the United States which Your Excellency's government sets forth as reasons for the action in question. These statements recall only too vividly the statements which characterize the fraudulent propaganda of international communism.

I am further instructed to inform Your Excellency that the Government of the United States, on behalf of the banks affected, reserves any and all rights to which they and other American corporations and individuals whose properties have been

expropriated are entitled under Cuban law and under international law.

Accept, Excellency, the renewed assurances of my highest consideration.

PHILIP W. BONSAI

## United States To Suspend Operation of Nickel Facility in Cuba

### Department Statement

Press release 567 dated September 29

The Government of the United States on September 29 notified the Government of Cuba of its intention to suspend the operations of the U.S. Government-owned Nicaro nickel facility located in the Province of Oriente in Cuba. The Government of the United States has reluctantly concluded that it has no alternative but to close the plant in view of the imposition by the Government of Cuba of confiscatory taxes upon Nicaro in violation of a binding international agreement, the intermittent embargo on the export of the product, and the continued harassment of the operation by delaying or failing to approve the exportation of the product and the importation of critically needed supplies and replacement parts.

As early as December 1959 the Government of the United States, in response to an expression of interest in the purchase of Nicaro by the Government of Cuba, indicated its willingness to undertake discussions. An embargo imposed on the export of the Nicaro product by the Government of Cuba was temporarily lifted in December 1959 for 90 days for the clearly stated purpose of permitting negotiations. Yet at no time during this period did the Government of Cuba make any offer to negotiate. The embargo was reimposed by the Government of Cuba in March 1960 despite the reiterated expressions of the Government of the United States of its willingness to negotiate. Not until June 1960 did the Government of Cuba respond to these proposals when it agreed to meet representatives of the United States.

The meetings which began in Washington on June 28 were held primarily to discuss the sale of the Nicaro plant to the Government of Cuba and, if agreement could not be reached on the terms of sale, to discuss a modification of the tax

<sup>1</sup> For text, see BULLETIN of Aug. 1, 1960, p. 171.

<sup>2</sup> For text, see *ibid.*, Aug. 29, 1960, p. 316.

and other arrangements which would permit the continued operation of the plant on an orderly, efficient, and economic basis. In an exchange of notes prior to the first meeting, the Government of Cuba agreed to suspend the collection of taxes and the embargo on the export of the Nicaro product until the negotiations had reached a definite conclusion.

After repeated delays by the Government of Cuba, the talks were resumed in Habana on August 2 lasting until August 5 and, following an additional series of delays on the part of the Government of Cuba, were reconvened once more in Washington on September 20. On the latter date the Cuban Government reiterated a previous offer of \$5,386,000 for a plant which had cost the U.S. Government almost \$110 million. This offer is considered to be so ridiculously low as to bring in question the good faith of the Government of Cuba in making it. Attached to this unacceptable offer were conditions which would have required the U.S. Government to purchase a specified amount of the output of the plant at a price in excess of the world market price.

On the occasion of this meeting with representatives of the Cuban Government, which was in no sense a negotiation or discussion, the U.S. Government was confronted with an ultimatum that after October 1 no nickel could be shipped from Cuba without the payment of taxes, which the Government of the United States considers to be both confiscatory and in violation of a binding international agreement on tax exemption for Nicaro. In addition, this action is clearly in violation of the agreement under which discussions were being held.

Despite the position of the Government of the United States that a binding international agreement exists which exempts Nicaro from taxes such as those imposed by the Cuban mining law of October 1959, the Government of the United States has indicated its willingness to reach a new agreement with the Government of Cuba for the payment of a reasonable tax. The Government of Cuba not only rejected the United States position but, for a time, imposed an embargo on all shipments from Nicaro and harassed the operation by

withholding or deliberately delaying the issuance of import permits for vitally needed fuel, replacement parts, and other supplies.

The operation of Nicaro obviously cannot be continued without export and without assurances of reasonable operating conditions. Because of the confiscatory taxes which the Government of Cuba has now reimposed in clear violation of a binding international agreement, the uncertainty brought about by the harassment described above, and the repeated delays of the Government of Cuba in carrying out its stated intention of negotiating a mutually satisfactory solution of the Nicaro problem, the Government of the United States has no choice but to order the suspension of the Nicaro operation.

### **Prime Minister of Malaya To Visit the United States**

The Department of State announced on September 27 (press release 561) that arrangements are being completed for the visit to the United States this fall of His Excellency Tunku Abdul Rahman Putra, Prime Minister of the Federation of Malaya.

The Prime Minister will make an official visit at the invitation of President Eisenhower. He will arrive at the Washington National Airport on October 25 and will leave Washington on October 28 for a tour which will include visits at Pittsburgh, San Francisco, Akron, and New York. The Prime Minister will leave New York for England on November 6.

### **Letters of Credence**

#### *Ireland*

The newly appointed Ambassador of Ireland, Thomas Joseph Kiernan, presented his credentials to President Eisenhower on September 28. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 565 dated September 28.



## INTERNATIONAL ORGANIZATIONS AND CONFERENCES

### Calendar of International Conferences and Meetings<sup>1</sup>

#### Adjourned During September 1960

14th Annual Edinburgh Film Festival . . . . .	Edinburgh . . . . .	Aug. 21-Sept. 10
21st International Exhibition of Cinematographic Art . . . . .	Venice . . . . .	Aug. 24-Sept. 7
5th World Forestry Congress . . . . .	Seattle . . . . .	Aug. 29-Sept. 10
<i>Ad Hoc</i> Committee of U.N. General Assembly To Consider General Questions of Transmission of Information . . . . .	New York . . . . .	Sept. 2-20
International Lead and Zinc Study Group: Group of Experts . . . . .	Geneva . . . . .	Sept. 5-6
Information Officers of Colombo Plan Countries: 2d Conference . . . . .	Bangkok . . . . .	Sept. 5-8
COAS Special Committee To Study Formulation of New Measures for Economic Development: 3d Meeting . . . . .	Bogotá . . . . .	Sept. 5-13
International Scientific Radio Union: 13th General Assembly . . . . .	London . . . . .	Sept. 5-15
ICAO Legal Committee: 13th Session . . . . .	Montreal . . . . .	Sept. 6-24
International Lead and Zinc Study Group: 3d Session of Standing Committee . . . . .	Geneva . . . . .	Sept. 7-9
U.N. ECE Steel Committee: Specialists on Steelmaking Processes . . . . .	Geneva . . . . .	Sept. 12-14
UNICEF Committee on Administrative Budget . . . . .	New York . . . . .	Sept. 12-14
GATT Working Party on Market Disruption . . . . .	Geneva . . . . .	Sept. 12-16
Inter-American Travel Congresses: 3d Meeting of Technical Committee of Experts on Travel Plant . . . . .	Washington . . . . .	Sept. 12-16
International Lead and Zinc Study Group: 2d Session . . . . .	Geneva . . . . .	Sept. 12-19
IAEA Board of Governors: 18th Session . . . . .	Vienna . . . . .	Sept. 13-16
ITU CCIR Study Group V Working Party . . . . .	London . . . . .	Sept. 13 (1 day)
Inter-American Social Security Conference: 6th General Assembly . . . . .	México, D.F. . . . .	Sept. 14-26
WMO Interregional Seminar on Tropical Agrometeorology . . . . .	Maracay, Venezuela . . . . .	Sept. 15-28
U.N. ECE Coal Committee: 50th Session . . . . .	Geneva . . . . .	Sept. 19-23
GATT Council of Representatives . . . . .	Geneva . . . . .	Sept. 19-23
International Rubber Study Group: 15th Meeting . . . . .	Kuala Lumpur, Malaya . . . . .	Sept. 19-26
International Council for the Exploration of the Sea: 48th Meeting . . . . .	Moscow . . . . .	Sept. 19-28
U.N. Scientific Committee on Effects of Atomic Radiation: 8th Session . . . . .	Geneva . . . . .	Sept. 19-30
GATT Article XXII:1 Consultations with Italy . . . . .	Geneva . . . . .	Sept. 19 (1 day)
International Bank for Reconstruction and Development, International Monetary Fund, and International Finance Corporation: Annual Meetings of Boards of Governors . . . . .	Washington . . . . .	Sept. 26-30
U.N. ECE Conference of European Statisticians: 8th Session . . . . .	Geneva . . . . .	Sept. 26-30
6th International Technical Conference on Lighthouses and Other Aids to Navigation . . . . .	Washington . . . . .	Sept. 26-30

#### In Session as of September 30, 1960

Conference on the Discontinuance of Nuclear Weapon Tests . . . . .	Geneva . . . . .	Oct. 31, 1958-
12th Triennale de Milano . . . . .	Milan . . . . .	July 16-
5th Round of GATT Tariff Negotiations . . . . .	Geneva . . . . .	Sept. 1-
Postal Union of the Americas and Spain: 8th Congress . . . . .	Buenos Aires . . . . .	Sept. 12-
U.N. General Assembly: 15th Session . . . . .	New York . . . . .	Sept. 20-
IAEA General Conference: 4th Regular Session . . . . .	Vienna . . . . .	Sept. 20-
FAO Regional Conference for the Near East . . . . .	Tehran . . . . .	Sept. 21-
FAO Working Party on Pasture and Fodder Development in Tropical America: 1st Meeting . . . . .	Maracay, Venezuela . . . . .	Sept. 26-
ILO <i>Ad Hoc</i> Meeting on Civil Aviation . . . . .	Geneva . . . . .	Sept. 26-
WMO Regional Association VI (Europe): 3d Session . . . . .	Madrid . . . . .	Sept. 26-
GATT Committee III on Expansion of International Trade . . . . .	Geneva . . . . .	Sept. 26-
U.N. ECAFE Working Party on Economic Development and Planning: 6th Session . . . . .	Bangkok . . . . .	Sept. 27-
Interparliamentary Union: 49th Conference . . . . .	Tokyo . . . . .	Sept. 29-

<sup>1</sup> Prepared in the Office of International Conferences, Sept. 29, 1960. Following is a list of abbreviations: CCIR, Comité consultatif international des radio communications; COAS, Council of the Organization of American States; ECAFE, Economic Commission for Asia and the Far East; ECE, Economic Commission for Europe; FAO, Food and Agriculture Organization; GATT, General Agreement on Tariffs and Trade; IAEA, International Atomic Energy Agency; ICAO, International Civil Aviation Organization; ILO, International Labor Organization; ITU, International Telecommunication Union; U.N., United Nations; UNICEF, United Nations Children's Fund; WMO, World Meteorological Organization.



## The Financial Problems of a Developing World Economy

### ANNUAL MEETINGS OF BOARDS OF GOVERNORS OF WORLD BANK, INTERNATIONAL MONETARY FUND, AND INTERNATIONAL FINANCE CORPORATION

*The Boards of Governors of the International Bank for Reconstruction and Development, the International Monetary Fund, and the International Finance Corporation held their annual meetings at Washington, D.C., September 26-30. Following are texts of a message from President Eisenhower to the joint meeting of the Boards of Governors and statements made by Secretary of the Treasury Robert B. Anderson, Under Secretary of State Douglas Dillon, and Assistant Secretary of the Treasury T. Graydon Upton.*

#### FIRST STATEMENT BY MR. ANDERSON<sup>1</sup>

As Governor for the United States, I offered a resolution at the last annual meeting calling for a study by the Bank Executive Board of the proposed International Development Association.<sup>2</sup> This resolution was adopted by the Governors. In a notably brief time, the Directors formulated articles of agreement which were submitted to the governments for acceptance. The articles have now been accepted by the countries with the requisite portion of capital subscriptions to bring them into effect.<sup>3</sup> Other countries will, I hope, soon join in this new affiliate of the Bank so that its active operations may begin and that it may deal with those problems of development finance which cannot be met by existing arrangements.

I should like to express the hope that the establishment of IDA represents a recognition that a

great number of the stronger countries have a stake in the advance of the less developed countries. Collective action through an international association is one step. Other effective measures should be devised to utilize surplus foreign exchange receipts of the economically stronger countries to provide larger capital funds for investment in the less developed areas on satisfactory terms. Failure to take these steps places strains on other countries, developed and less developed areas, and tends to hold back the progress of all in meeting the challenge of our day. This challenge is to enable all countries to take advantage of scientific and technical advances to raise their levels of production. International organizations and individual country efforts are both needed to realize this goal.

These annual meetings bring together the financial leaders of our member governments, and they provide an occasion for the exchange of views on questions of common interest. I hope from our discussions that we may all gain a greater insight into the financial problems of a developing world economy which has become increasingly complex with the passage of time. My delegation is looking forward to discussions in these 1960 meetings in the expectation that they will contribute, as have meetings in the past, to a greater mutual understanding among our countries.

#### MESSAGE FROM PRESIDENT EISENHOWER<sup>1</sup>

On a number of occasions I have had the pleasure of personally welcoming to Washington the Governors of the International Monetary Fund and the International Bank for Reconstruction

<sup>1</sup> Made at the opening joint session of the IBRD, IMF, and IFC on Sept. 26. Mr. Anderson is U.S. Governor of the IBRD and IMF.

<sup>2</sup> For statements and remarks made at the last meeting, together with text of the IDA resolution, see BULLETIN of Oct. 19, 1959, p. 531.

<sup>3</sup> See p. 617.

<sup>1</sup> Read by Mr. Anderson at the opening joint session of the IBRD, IMF, and IFC on Sept. 26.

and Development. I regret that I am unable to attend their opening meeting today but I wish to send them my warm greetings.

The Fund and the Bank have achieved much for the benefit of mankind.

The Fund has made a strong contribution to financial stability and sound practices in the field of foreign exchange policy. Its resources have been used to advance worthwhile programs. The recent increase in its resources should enable the Fund to broaden and intensify its work.

On Thursday, in my statement to the United Nations I spoke of the expanding role the Bank will play in the developing countries of the world.<sup>5</sup> My reference to the World Bank, of course, included the International Development Association which will come into operation shortly. This Association will provide new and enlarged means of dealing with some of the development problems that could not otherwise be handled. My reference also included the International Finance Corporation which has done and will continue to do a most important work in assisting the investment of private capital in productive enterprise.

These international financial institutions have steadfastly and effectively pursued the objectives for which they were created. The people of the world look to them for continuing leadership in the coming years.

I am sure that the discussions of the Governors at this meeting will provide for further progress based upon the good relations of the member countries with each other and upon the great institutions which embody so much of our hope for international cooperation in financial affairs.

#### STATEMENT BY MR. DILLON<sup>6</sup>

The past year has been one of gathering momentum in cooperative international efforts to assist the peoples of the newly developing areas in their unrelenting battle for economic and social progress under conditions of individual freedom and national independence.

There is today, throughout the free world, a greater awareness than ever before of the historic importance of winning this battle. There is also

<sup>5</sup> BULLETIN of Oct. 10, 1960, p. 551.

<sup>6</sup> Made on Sept. 27 during the World Bank's annual discussion. Mr. Dillon is U.S. Alternate Governor of the IBRD.

a greater determination than ever before to see to it that the battle is won.

The World Bank, under the wise and imaginative leadership of President Eugene Black, has helped greatly to create this heightened awareness and this strengthened determination. We regret that President Black, because of illness, cannot be here today, and we extend to him our warm wishes for a full and speedy recovery.

It is especially fitting that, in President Black's absence, the annual address should be presented by Vice President [W. A. B.] Iliff, who, as we all know, has done so much to bring to a successful conclusion the agreement on the Indus Basin settlement plan, signed only a few days ago at Karachi.<sup>7</sup>

This is a remarkable achievement in many ways. The plan will make a significant contribution to the economic potential of India and Pakistan through better irrigation, increased hydropower, soil reclamation, and flood protection. It represents the peaceful termination of a protracted international dispute over water rights. And it enlists the cooperative help of a number of capital-exporting nations under the aegis of the Bank, thus demonstrating once again that international cooperation can often achieve what no one nation can do alone.

The United States is happy to be a participant in this constructive and far-reaching enterprise. At the same time we recognize, as I am sure other contributing governments do, the need for a continuing flow of external resources into the general economic development programs of India and Pakistan, apart from the Indus Basin project.

The Bank is also to be congratulated on the entry into force, just announced, of the articles of agreement establishing its new affiliate—the International Development Association. It is our hope that the IDA can begin its operations by the first of the year and that, in accordance with the spirit of its articles, it will operate in a vigorous and flexible manner to fill needs of the developing countries which cannot be met from the Bank's ordinary resources. The lending institutions of the United States are prepared to cooperate fully with the IDA, as they have in the past with the Bank.

We hope also that the satisfactory relationship

<sup>7</sup> For background, see BULLETIN of Oct. 10, 1960, p. 577.

which  
United  
Bank  
will be  
Whi  
come  
tended  
so far  
ificatio  
case o  
partic  
can on  
of ext  
countr

#### Forms

Mul  
ment  
during  
ter-A  
its do  
ber 1]  
portan  
tions  
month  
to bro  
to incl  
develo  
trial  
Latin  
termin  
hand  
States  
fund  
ican s  
Inter-  
the p  
new  
be ab  
count  
tion,  
their  
tenur  
Bu  
not m  
for e  
long-  
tions

<sup>8</sup> Fo  
<sup>9</sup> Fo

which has long existed between the Bank and the United Nations, and more recently between the Bank and the Special Fund of the United Nations, will be broadened to include the IDA.

While the IDA is safely launched, it cannot become fully effective until its membership is extended more broadly. A number of countries have so far failed to take the necessary steps for ratification. This is regrettable, especially in the case of the newly developing countries, since non-participation in the IDA by a developing country can only serve to reduce the potential availability of external resources for the development of the country concerned.

#### Forms of Cooperation for Economic Development

Multilateral cooperation for economic development has also been broadened and strengthened during the year with the establishment of the Inter-American Development Bank, which will open its doors for lending this coming Saturday [October 1].<sup>8</sup> This new financial organization is an important addition to the long-established institutions of the inter-American system. Just this month, at Bogotá, the American Republics acted to broaden the role of the Inter-American Bank to include important functions in the field of social development as well as basic economic and industrial development. In the Act of Bogotá<sup>9</sup> the Latin American governments expressed their determination to further social progress hand in hand with economic development, and the United States recorded its intention to establish a special fund to provide flexible financing for Latin American social development. It is proposed that the Inter-American Development Bank should become the primary mechanism for administering this new fund. Thus the Inter-American Bank will be able to cooperate with the Latin American countries in their efforts to achieve better education, housing, and public health and to carry out their programs for improving systems of land tenure, rural resettlement, and taxation.

But multilateral development institutions cannot meet all the needs of the developing countries for external assistance. Bilateral programs of long-term assistance by the capital-exporting nations are also essential. Greater bilateral efforts

are especially necessary on the part of those industrialized countries, such as the Federal Republic of Germany, which in recent years have been generating large and increasing balance-of-payments surpluses. This is a responsibility to the free-world community which cannot be shirked. It used to be said that a good creditor country should pursue a liberal import policy. Nowadays a good creditor country must not only welcome imports; it must also be prepared to finance its export surpluses so that these resources can be channeled into the developing countries on terms suited to their special needs. It is to be regretted that this fact, while generally recognized in principle, has so far not been adequately implemented by certain of the most important creditor countries of the free world. The task before us is huge, and it is critical. The eyes of the struggling people in the newly developing countries are upon us. They are looking in particular to leading creditor countries, especially in continental Western Europe, for an effort more in line with their capacities. In the interest of the safety and progress of the free world we must see to it that their hopes in this regard are met.

The growing importance of bilateral assistance efforts led to the establishment early this year of a Development Assistance Group among several capital-exporting nations.<sup>10</sup> Its purpose is to discuss the best ways of mobilizing and increasing resources for development assistance and to encourage the use of terms of repayment appropriate both to the long-term nature of the development process and to the prospective balance-of-payments situation of the borrower. It is not the responsibility of the Development Assistance Group to engage in operations or to discuss the specific development projects or programs of particular countries or areas.

The World Bank has participated in the discussions of the Development Assistance Group, which also provide an opportunity for exchange of views and experience with other international organizations concerned with development problems.

As many of you are aware, plans are being made for the absorption of the Development Assistance Group by the proposed Organization for Economic Cooperation and Development—which will be a reconstitution or remodeling of the present

<sup>8</sup> For background, see *ibid.*, Feb. 29, 1960, p. 344.

<sup>9</sup> For text, see *ibid.*, Oct. 3, 1960, p. 537.

<sup>10</sup> For background, see *ibid.*, Apr. 11, 1960, p. 577.

Organization for European Economic Cooperation—when the OECD has been formally established. The present draft of the charter of the OECD would authorize it to enter into relations with other international organizations. In our view the objectives of the OECD will be best served by establishing an effective liaison between the OECD and other international institutions having related interests, including the World Bank and the Organization of American States.

#### **Bank Activities in Year Past**

Turning to the operations of the Bank during the past year, we are happy to note that its lending activities continue at a high level and that its technical assistance activities have expanded. In addition the Bank has performed a notable service in bringing together several countries providing bilateral assistance to India. Group discussions such as these are useful and practicable where the scale of the Bank's lending, the size of the domestic development program, and the magnitude of the external resources being supplied from several capital-exporting nations are all very large. It is our hope that the similar arrangements which the Bank is now preparing in connection with the economic development program of Pakistan will prove equally fruitful.

The Bank's report reveals the continuing success of the management in enlisting the participation of private investors in the Bank's loans. Sales to private institutional and other investors of portions of the Bank's loans were 64 percent over the level of the previous year, itself a high point. This is a healthy and encouraging trend since the private market is the largest potential source of development capital. The United States will continue to do all that it properly can to encourage the flow of private capital to the less developed areas. But these efforts can succeed only in the measure that private capital is made welcome in the developing countries themselves. Unfortunately, arbitrary and punitive actions against foreign private investment in one country, such as we have witnessed recently in Cuba, tend to have discouraging effects on investment in other developing countries as well. It is the hope of the United States that these effects will be limited and of short duration, but reassurance and encouragement to the private investment community on the part of all of us will be necessary.

The annual report calls attention to two important structural problems which continue to hamper economic growth in the less developed areas. These are, first, the problem of surpluses, which depress the prices of several basic commodities on which a number of less developed countries, especially in Latin America, are heavily dependent for their earnings of foreign exchange, and, second, the problem presented by the increasing accumulation of international indebtedness by the developing countries.

We agree that the accumulation of debt, especially of short- and medium-term debt, has become increasingly serious. This fact merely underscores, once again, the need for long-term development lending on the part of the capital-exporting nations and the need for prudence on the part of borrowing countries in avoiding the use of short-term credit for long-term development purposes. It also points to the wisdom of providing a larger share of development assistance in the form of flexible loans suited to the balance-of-payments situation of the borrower. Neither lenders nor borrowers can benefit from the continued piling up of excessive international debt, much of it extended on unsuitable terms.

The accumulation of debt on onerous terms inevitably leads to demands for adjustment in these terms in order to prevent the disturbing consequences of default. We should all, therefore, make every effort to assure that in our development assistance programs we arrange in the first instance for terms and conditions that will keep the balance-of-payments effect of debt accumulation within manageable limits. In many cases this will also mean a sensible restraint on the use of normal commercial export credit and especially on the clearly unsuitable use of such credit for long-term development projects.

The problem of wide fluctuations in foreign exchange earnings arising from sharp movements in the prices of primary products is admittedly a difficult one. A part of the answer lies in the economic diversification of the developing countries. Also difficulties affecting particular commodities are being looked at, on a case-by-case basis, in the various groups and organizations concerned with these problems. One aspect of this situation, however, is of special relevance to development lending. This is the potential impact of development assistance on surplus production.



All of us who participate in development assistance, whether as lender or borrower, should keep these surplus problems in mind in considering suitable development projects and programs.

In closing, may I add our words of welcome to Nepal and Nigeria, which will shortly join our company. And may I venture the hope that all of the new nations of Africa, many of which have just become members of the United Nations, will also soon participate in the Bank and Fund. The successful economic development of the free nations of Africa is a vital task for the future and one to which the Bretton Woods institutions should lend their full support.

Once again the management and staff of the Bank have earned our thanks for a job well done. We can be confident that under their guidance the Bank will continue to grow in meeting the expanding needs of its members.

## SECOND STATEMENT BY MR. ANDERSON <sup>11</sup>

In many ways the past year has been one of continued economic and financial progress. As the annual report has stated, world industrial production and trade have increased and there has been broad success in sustaining expanded output and real income within the framework of reasonable price stability. These gains have not been shared by all countries, however, and continued relative weaknesses in the markets for some primary products and foodstuffs have presented serious problems for a number of the less developed countries. Even in these cases pressures have been eased by sharp recovery in industrial countries in 1959 and continued high levels of economic activity in 1960.

The work of the Fund during the year focused on several matters which are of great interest to the United States. We welcomed the Executive Board's decision on discriminatory restrictions last October,<sup>12</sup> which recognized that progress toward general convertibility of currencies had very largely eliminated the basis for discriminatory restrictions on payments. In the past 2 years we have come much closer to the end of the postwar period which in the field of international finance was characterized by widespread discrimination, especially directed at the dollar area. The Fund

deserves a great deal of the credit for the concerted and successful effort which has been made to reduce restrictions and eliminate discrimination. Some discriminatory restrictions still remain, however, and we hope that the Fund and the members will devote attention to rapid completion of the task of doing away with them.

In another important decision, foreshadowed at the last annual meeting, the Executive Board in June agreed on the guidelines which might be useful to members as they consider undertaking all of the obligations of article VIII [of the IMF articles of agreement]. We can anticipate that during the coming year a number of additional countries will take that action, which will be especially important as a formal evidence of the approach to full convertibility of currencies.

In the past year Fund members in very large part completed the process of increasing the resources of the Fund, which had its inception in the resolution adopted by this Board at the New Delhi meeting in 1958.<sup>13</sup> Scarcely half a dozen members have not yet consented to quota increases, and some of them are in the process of taking the necessary legislative and administrative action. We may therefore anticipate that very nearly all Fund members will in the end consent to quota increases. This near-unanimity of action is another important recognition by members of the great usefulness of the Fund. The increase in resources has put the Fund in a much better position to deal with the exchange shortages which from time to time confront individual countries and with broader difficulties in the field of foreign exchange.

To my mind one of the most heartening and important aspects of the work of the Fund is its patient, close, and intensive collaboration with members in efforts to achieve financial stabilization. Countries have long needed an impartial and reliable ally in the struggle against financial instability and the inflation which accompanies it. The Fund has demonstrated that it is such an ally, and we can draw great encouragement from the fact that members from all parts of the world continue to turn to the Fund for support and technical advice. There has been evident and encouraging progress in stabilization during the year, and we have reason for much satisfaction that so many countries—industrial and less developed

<sup>11</sup> Made on Sept. 28 during the International Monetary Fund's annual discussion.

<sup>12</sup> For text, see BULLETIN, of Nov. 9, 1959, p. 681.

<sup>13</sup> *Ibid.*, Nov. 17, 1958, p. 793.



alike—have participated in these vital efforts to establish and maintain sound and reliable currencies. Substantial completion of the task of dealing with excess internal liquidity inherited from World War II and resulting from inflationary practices and the advent of much wider convertibility have helped create the more favorable conditions for success which have emerged in the past few years.

I agree with the general conclusion in the annual report that the policies of the Fund relating to the use of its resources continue to be appropriate and beneficial. They comprise a successful merging of two important considerations. On the one hand, members must have assurance that Fund resources are available to them when need arises. On the other hand, the Fund must have assurance that members are taking reasonable and effective steps to deal with the causes of imbalance and to maintain or reestablish internal and external stability. The wide range of members which have drawn on the Fund year by year, and the great variety of circumstances under which they have drawn, serve as good evidence that Fund resources are fulfilling the purposes for which they have been subscribed.

We have studied with close interest the consideration given in the annual report to broad developments in balances of payments and in the levels of reserves. I shall shortly have something to say about what has happened in the United States in this respect during the year. But it may be noted at this point that international liquidity improved during 1959. The increase in Fund resources was, of course, one element in this improvement. Other important aspects were the growing strength of the reserve positions of industrial countries and the continuing relaxation of exchange restrictions, and particularly restrictions on movements of capital. These favorable developments have meant that the free world's banking system, which plays such an important role in the financing of international trade in goods and services, has been able more effectively to add to international liquidity when it is needed.

#### **Functioning of International Financial System**

During the year there has been much discussion of the way in which the international financial system is functioning. A number of suggestions have been made for changes which might be made

in that system. My own conclusion is that the international system has continued to function efficiently in financing trade and providing increased freedom of movement of short-term funds among a widening group of convertible currencies. This emerging convertibility, together with the renewed vigor of commercial banking institutions in the international field and the strengthening of the Fund resources, has contributed to the flexible and smooth operation of the system. Taken as a whole the system has been able to finance a growing volume and value of world trade in commodities and services and to provide standby and emergency assistance to countries in need of it. We are not confronted with any immediate need to consider changes in the system as a whole or in the International Monetary Fund.

Less rapid progress has been made in the field of longer term financing of economic development. In my remarks a year ago I pointed out that there must be a reorientation of the policies of the earlier postwar period and a new determination by all the industrial countries to face the common obligation to share in the task of providing capital to the less developed parts of the free world. Since that time the large capital-providing nations have made a step forward in the formation of the Development Assistance Group, the third meeting of which will take place next week,<sup>14</sup> where means and techniques for speeding up the flow of capital to the less developed countries will be under active discussion. However, a number of industrial countries have continued to increase their reserves and certain ones have accumulated substantial gold and foreign exchange holdings. This is particularly true of the Federal Republic of Germany. It therefore becomes even more vital than before for the strong surplus countries to take adequate steps to facilitate the movement of international capital on longer terms to the less developed areas of the world. I believe it is considerably more important to seek ways to deal with this problem than to concern ourselves at this time with proposals for new facilities which may build still larger accumulations of a liquid character.

One fundamental point must be reemphasized—and on this I believe there is general agreement. The international financial system should and does

<sup>14</sup> The Development Assistance Group will meet in Washington, D.C., on Oct. 3.

provid  
count  
proble  
there  
tries.  
aspect  
count  
sity of  
librium  
capita  
all sur  
ance o  
abroad  
the to  
provid  
import  
equilib  
amount  
from a

#### **Perform**

I sh  
the pr  
in the  
balanc  
we ap  
In  
States  
pects  
perspe  
foreca  
now a  
econon  
ments  
view t  
count  
for ma

Unc  
econon  
employ  
tinued  
have n  
specia  
tion h  
greatl  
cially  
that h  
econon  
prise s  
under

In s

Octob

provide help in times of emergency and assist countries which are striving to deal with their own problems. But I am sure we have all learned that there is an inexorable rule applying to all countries. Regardless of the technical and mechanical aspects of the international financial system, each country is always confronted with the stern necessity of achieving and maintaining reasonable equilibrium in its own balance of payments. Each capital-exporting country—whether it is in overall surplus or deficit—must achieve reasonable balance over time between its current receipts from abroad and its current expenditures abroad plus the total which it is prepared to lend, invest, and provide through grants. And each capital-importing country must strive for a reasonable equilibrium between its net current deficit and the amount which it can reasonably expect to obtain from abroad in the form of loans and grants.

#### Performance of U.S. Economy

I should like again this year to describe briefly the present course of economic and financial events in the United States and to report on the way our balance of payments appears to be developing, as we approach the end of the third quarter of 1960.

In evaluating the performance of the United States economy thus far in 1960, as well as prospects for the future, it is essential to maintain perspective. Excessive optimism colored some forecasts early in the year, and some observers have now altered their opinions and suggest that the economy is trending downward. While judgments of reasonable men can differ, it is my strong view that the outlook for economic activity in this country is favorable, both for the near future and for many years ahead.

Unquestionably, there are some sectors of our economy which give concern. The problem of unemployment is still troublesome and deserves continued attention, especially in those areas which have not shared fully in national gains because of special circumstances. In addition, steel production has continued at a low level relative to our greatly enlarged productive capacity. But, especially considering the fundamental readjustments that have been taking place in the United States economy in 1960, it can be said that our free-enterprise system has once again demonstrated its great underlying strength and resilience.

In speaking of fundamental readjustments in

our economy, I refer to the fact that the economic environment of 1960 is a new environment. After almost 20 years of recurrent inflationary pressures, it is understandable that a free economy would have to undergo some deep-seated adjustments once appropriate fiscal and monetary policies had struck down both the fear and the fact of inflation. It is indeed heartening that, despite the impact of this adjustment to a new economic environment, total output and the income of individuals have advanced to all-time peaks. Moreover, civilian employment in August established a record for the month, with over a million more persons employed than a year earlier. Industrial production, which has been most directly affected by the adjustments occurring this year, has shown little change. In the aggregate it is only slightly below its January peak and, when production of iron and steel is excluded, is somewhat above the first-quarter level.

The most important single fact leading to the decline in inflationary expectations was the realization, last January, that the \$12.4 billion Federal deficit of fiscal year 1959 would be replaced by a surplus in fiscal year 1960. This surplus actually totaled \$1.1 billion. Thus, the domestic economy is now functioning without the dangerous stimulus of inflationary expectations or fears of shortages. Businessmen can now make plans and calculate costs on the basis of a reasonably stable dollar.

This is precisely what we have been striving for throughout the postwar period. It is precisely what is required if this nation is to achieve the maximum rate of sustainable economic growth without inflation.

As reflected in business attitudes and practices the major impact of this fundamental readjustment to the decline in inflationary pressures and expectations has been on business spending for inventories—that is, buying of goods for industrial use or resale. In the first quarter of 1960 businesses were accumulating inventories at the near-record annual rate of \$11.4 billion. This rapid rate of accumulation was partly the result of resumption of steel output after a long strike and partly the result of expectations of limited supply, rising prices, and vigorous demand in 1960. But, as it became clear in ensuing months that most industrial goods and materials would continue to be readily available at reasonably stable prices, the rate of accumulation began to decrease. The available evidence now indicates

that inventories are no longer rising but are perhaps declining slightly. Overall, therefore, the annual rate of inventory spending has fallen by \$11 billion to \$12 billion. This sharp decline in inventory spending is the key fact in our domestic business picture and accounts for the relative stability of industrial production in 1960, despite a substantial expansion in final demand.

It is highly significant that the recent decrease in inventory spending is even larger than the drop in inventory buying in 1957-58, which was the most important factor depressing spending and output at that time. It is apparent, therefore, that in the past 8 months we have experienced another major postwar shift in inventory spending. But in contrast to some of the earlier experiences—notably 1948-49, 1953-54, and 1957-58—the recent inventory adjustment has proceeded smoothly and, of primary importance, has been offset by strong final demand. Even with this major shift in inventory spending, total economic activity, measured by gross national product, has risen in 1960.

The inventory adjustment appears now to be nearing completion. Business spending for new plant and equipment, according to the latest Government survey, continues at a high and sustained level. Governmental spending for goods and services, embracing State and local as well as Federal outlays, continues to advance. Recent surveys indicate that consumer buying plans were well maintained during the summer and that consumers increasingly regard their financial positions as favorable. As already noted, personal income has continued to rise and, with inflation under control, rising personal income means rising purchasing power for the consumer.

Of considerable importance from a financial standpoint has been the significant easing of monetary policy in recent months, which was appropriate in view of the shift to a budget surplus and the accompanying decline in inflationary pressures. The Federal Reserve authorities have twice reduced the rate of interest on loans to member banks; margin requirements for stock-market loans have been lowered, reserve requirements of member banks have been reduced, and, of primary importance, the reserves of the banking system have been supplemented through purchases of Government securities.

The results of these monetary actions are clearly

discernible. Since May the privately held money supply, which had been declining, has grown by more than \$1 billion, or at an annual rate of about 3 percent. Time deposits in banks and share accounts in savings and loan associations, which constitute important types of "near money," have also been increasing at a substantial rate. Business loans at banks have not grown as much as usual since midyear, largely due to the decline in inventory spending, but banks have used the additional reserves to add significantly to their holdings of Government securities and other liquid assets. Interest rates have declined from the peaks of early winter.

The easing of credit and the decline in interest rates are encouraging new long-term bond flotations by State and local governments and business corporations, and the Treasury has succeeded in extending a significant amount of its intermediate-term debt to longer maturity, through an advance refunding. Credit to support residential and other construction is more readily available, at lower interest rates. This in turn has helped sustain the level of housing starts. Construction contract awards have also increased recently. Thus, the outlook for a rising volume of construction is favorable.

These facts, in my judgment, reflect the basic underlying strength of the United States economy. The adjustments that our economy has undergone this year provide the base for a long period of sustainable, noninflationary growth. Primarily because of effective attention to our domestic fiscal and monetary policies, we can view the future of our economy with confidence.

#### **U.S. Balance of Payments**

Let us now turn to the United States balance of payments. You may recall that the United States balance of payments showed an overall deficit of \$3.5 billion in 1958 and \$3.8 billion in 1959. You may also recall that this very unsatisfactory situation resulted from three main factors. First, our merchandise imports had increased very sharply from a level of around \$13 billion per year to more than \$15 billion in 1959. Secondly, our merchandise exports had declined from more than \$17 billion in 1956 and \$19 billion in 1957 to \$16 billion in 1958 and 1959. Third, three important elements in our balance of payments were large and, in view of our general international responsi-

bilities, were not susceptible to easy adjustment. These three elements were military expenditures overseas, a net outflow of U.S. private capital, and Government loans and grants. These have in total ranged about \$8 billion in recent years.

What has been happening in 1960? First, our exports at midyear were running at an annual rate of about \$20 billion, which was equal to the peak reached in 1957 and up almost one-fourth from the level of 1958 and 1959. There has been good progress in expanding our exports, covering a very wide range of commodities and markets. With imports at about the same level as in 1959, our net exports surplus is accruing at an annual rate of more than \$4 billion, exceeded in the past decade only in 1956 and 1957. But the movements of capital and other nontrade items have left us with an overall payments deficit which appears to be running this year at an annual rate of something like \$3 billion. This is a substantial deficit, even though it represents a reduction from the deficit of \$3.8 billion recorded in 1959.

The outflow of gold continued in 1960 and has now reached about \$700 million. In the same period foreign countries increased their total holdings of short-term dollar claims, and the gold flow has generally reflected the normal reserve practices of foreign financial institutions.

During 1960 short-term interest rates have moved sharply and in some cases in opposite directions, notably downward in the United States and upward in the United Kingdom and Germany. We cannot expect that liquid funds would be unresponsive to these changes, and, as I have just mentioned, there has been a substantial outflow of short-term funds from the U.S. chiefly to Europe, although some of it comprises a U.S. liquid claim on other countries.

We have made real progress toward the continuing and essential objective of reasonable equilibrium in our balance of payments. But we have not reached that objective. As we advance toward it our aim is to merit continued confidence at home and abroad. We shall do this by resolute adherence to domestic and foreign economic and financial policies which will maintain the dollar at its existing gold parity as a sound and reliable currency. However, I should like to venture a little broader comment. International trade is increasing and the interdependence of the economic and monetary policies of all nations is be-

coming ever more apparent. This obliges all of us as we frame and pursue our policies to realize that the free countries of the world must have the common objective of maintaining stability and convertible currencies and must keep ever in mind that the actions of each affect and concern all of the others.

We are taking certain steps, notably in expanding our export-insurance facilities and in more intensive display of our products overseas, to encourage our exporters to search more actively for markets. We believe they are doing so with good results. In this connection we hope and expect that other countries and groups of countries, such as the European Common Market and the European Free Trade Area, will pursue liberal commercial policies with respect to imports from the rest of the world. This is especially needed with respect to agricultural products. The negotiations which have recently started in Geneva will be concerned with the tariffs of the Common Market as well as those of other countries in the GATT, and will provide an opportunity for real progress in that direction.<sup>15</sup> We have high hopes for a successful outcome.

#### **Correcting Imbalance in International Payments**

I have so far been talking about the United States balance of payments. Last year I mentioned the very large payments surpluses which a number of other industrial countries were recording not only with the United States but also with the less developed countries, and I ventured to say that this did not represent a satisfactory pattern of world payments and could not be expected to persist. I am glad to see that the annual report has very properly directed attention to this important imbalance in international payments arising out of the continuing payments surpluses of these industrial countries. This is a most important, indeed a crucial, problem now facing us in world finance. Both the less developed countries and the strong industrial countries have a vital and mutual interest in bringing about a more reasonable equilibrium in the payments relationships between these areas. One important need is an increase in the flow of capital, and particularly of long-term capital, from these countries to the

<sup>15</sup> For a statement made at the opening meeting by Clarence B. Randall, see BULLETIN of Sept. 19, 1960, p. 453.



less developed areas, which I have already mentioned. Another form of adjustment of a mutually beneficial character could result from the expansion of imports of goods and services by the surplus countries from the less developed areas and from the United States as well. As one example consideration could be given to reducing internal taxes on commodities imported from the less developed countries.

We are very acutely aware of the importance of securing for ourselves that freedom of action which is essential if we are to use fiscal and monetary policy flexibly as a major means of dealing with both inflationary and deflationary forces. This is another and very important reason which will impel us over the years through proper policies to maintain a sound balance-of-payments position and an adequate reserve level. We rely on our large reserves to provide this freedom of action, and we have exercised it during 1960 as we have applied our fiscal and monetary policies. But we can preserve it over the long run only as we succeed in our objective to achieve and maintain a reasonable equilibrium in our balance of payments.

The free world is moving through an epoch of vastly significant economic, social, and political events. In every field—health, technology, transportation, social welfare—new achievements stream from the minds and the labor of men. People who in the past could expect little of life see horizons of which they never dreamed; they are moved by aspirations which they never before dared to have. Out of this has appropriately emerged a surging demand for higher living standards and a drive for the economic development which will make them possible. This drive is pressing on the resources of all countries, because in even the most highly developed there is a demand for improved production facilities, better roads, more schools and hospitals, and more housing.

All of this is of the most intensely practical concern to us, as treasury officials and as central bankers. We have a vital role to play in the fulfillment of this compelling urge for economic expansion. On the one hand, we must encourage adherence to the time-tested rule that economic and social progress and sound currencies are inseparable—that one cannot exist without the other. On the other, we must demonstrate that our

financial and monetary policies and institutions, operating within a free economic system, can contribute to the objectives of economic growth, social progress, and the security of the free world, and thus help meet the great challenges of our time.

#### STATEMENT BY MR. UPTON<sup>16</sup>

This is my second opportunity to address this distinguished group at an annual meeting, and I am gratified to find before us, as we found last year, an annual report which records definite further growth by the Corporation. Happily, this growth has not been limited to the Corporation's investment portfolio alone. It extends as well, and as importantly, to the Corporation's fund of operating experience.

President [Robert L.] Garner's report is a well-considered statement of the problems, and the promise, of private enterprise investment in the less developed areas of the world. We might all take particular note of his statement that, regardless of the special difficulties involved in introducing new techniques into the developing areas, "the sound principles of business and finance are the same everywhere." This is the conviction on which the Corporation was founded 4 years ago, and we have no reason to doubt its general applicability. Human energy, talent, and judgment exist in abundance around the world; properly applied to the challenging opportunities for private enterprise that exist in similar abundance, they offer the prospect of important increases in production, wealth, and well-being. In my own country the prospect has been repeatedly fulfilled. In many other countries the private enterprise approach remains far from being fully accepted. Here the IFC, with the perspective gained in the past 4 years, can perhaps make its most significant contribution. It can, I am confident, continue to an increasing degree to stimulate, lead, counsel, and caution. It can, and I am sure it will, bring about a wider realization of the full potential of productive private investment.

The Corporation's investment activity, as described in the report, is quite apparently beginning to gain the momentum we have anticipated. We note the significant fact that the volume of net

<sup>16</sup> Made on Sept. 29 during the International Finance Corporation's annual discussion. Mr. Upton is Temporary Alternate Governor for the United States.



commitments in the last fiscal year exceeded net commitments of all previous years combined. Similarly, last year's disbursements exceeded the total of all disbursements made previously. Indeed, it is my understanding that investments made since the close of the fiscal year and investments in prospect will shortly push the total gross commitments past the halfway mark of the Corporation's authorized capital. Eleven enterprises have been added to this year's list of investments by the Corporation, and six more countries now have IFC-assisted enterprises within their territories. We anticipate continued growth in this respect now that the Corporation has firmly established itself.

The "catalytic" function of IFC we have talked about frequently in the past continues to be performed. An examination of the investments made in the past fiscal year shows that funds totaling roughly three times the amount of the Corporation's investment have been put into these same projects by other investors, both local and foreign. IFC's resources cannot, of course, be fully effective without this important companion flow of private investment.

In this regard there is good reason to welcome the \$6 million of participations arranged by the Corporation in connection with two of its investments. A portion of these participations represent true portfolio sales, having been arranged for after the Corporation undertook its own firm commitment. Although the sums involved are small as yet, this development is of major importance as a means whereby the Corporation can more rapidly revolve its funds.

In their remarks today, Mr. Garner and others have laid before us one of the important problems confronting the Corporation, that of investment in equity securities. It is a problem whose outlines have become clear only after considerable experimentation on the part of the Corporation with convertible debentures, stock options, and other techniques. My Government recognizes that for the Corporation to perform its function new tools must be made available to it. The arguments for the proposed change are persuasive, and we are happy to join with others in supporting a thorough examination of its merits. I might note that a similar examination was carried out recently with respect to IDA which led to such a satisfactory conclusion.

As we enter the fifth year of IFC's existence, new problems loom and new opportunities beckon. Certainly there is a need for alertness to the structural and institutional changes taking place in the world of international finance. International capital markets are reviving. Restrictions on the flow of private capital are being relaxed, and new organizations are emerging. We may hope that the management and Directors of the IFC will always search for opportunities to work in close cooperation with international and national institutions under these changing conditions and that this cooperation will prove constructive and will facilitate the economic development of the private sector of the less developed countries.

The validity of the ideas of personal freedom and of private enterprise is being tested today in many places. I commend the Corporation for its efforts to demonstrate the soundness of the principles to which we collectively subscribe and at the same time give it our sincere support in its renewed labors in the demanding year ahead.

## **IDA Ready To Begin Formal Operations**

The International Development Association (IDA), a new international agency for financing economic growth in the less developed countries, came into being on September 26 as an affiliate of the World Bank.

Fifteen countries have already become members, bringing total subscriptions to the equivalent of \$686 million. If all members of the Bank join IDA, its initial resources will be the equivalent of \$1,000 million, of which the equivalent of \$787 million will be available on a fully convertible basis.

IDA is to be administered by the World Bank. It will seek to promote economic development by providing finance to the less developed countries on terms more flexible and bearing less heavily on their balance of payments than conventional loans, thereby furthering the development objectives and supplementing the activities of the Bank. The first meeting of the Executive Directors of IDA, representing its member countries, will be held later in the fall. On the date of this meeting IDA will formally begin operations.

IDA had its beginnings in a resolution submitted by Senator A. S. Mike Monroney to the

U.S. Senate at the end of 1957. His idea was taken up by the U.S. administration, and in response to an administration proposal the Bank's Board of Governors, at its annual meeting in 1959, resolved that the Executive Directors of the Bank should draft articles of agreement for IDA.<sup>1</sup> The completed articles were transmitted to the Bank's member countries in February 1960. Governments thereafter began the legislative action necessary to enable them to accept IDA membership.

IDA will provide development finance to the less developed areas of the world included within its membership. A considerable degree of flexibility is given to IDA by its articles of agreement, both in the purposes for which it may provide finance and in the terms on which it may make loans. IDA will finance a wider range of projects than the Bank, but since both agencies will have the same management, it is to be expected that IDA will maintain the same high standard as the Bank with respect to the planning, management, and financing of the projects which it assists.

A unique feature of IDA is the division of member countries into two groups for purposes of subscription of funds. Subscriptions will be payable over a 5-year period, and the countries in both groups will pay 10 percent of their initial subscriptions in gold or freely convertible currencies. One group, however, the 17 more industrialized member countries of the Bank, will pay the remaining 90 percent in five equal installments in gold or freely convertible currencies; the other group, the 51 less developed countries, will pay their 90 percent in their national currencies, which IDA will not be free to convert into other currencies or to use to finance exports from the country concerned without its consent.

IDA is to keep the adequacy of its resources under regular review. It is contemplated that the first review will take place before the end of the first 5-year period and subsequent examinations at intervals of approximately 5 years thereafter. General or individual increases in subscriptions may be authorized at any time.

*International Development Association  
Members as of September 26, 1960*

	<i>Initial subscriptions (US\$ millions)</i>
Australia .....	20.18
Canada .....	37.83
China .....	30.26

<sup>1</sup> BULLETIN of Oct. 19, 1959, p. 531.

Germany .....	52.06
India .....	40.32
Italy .....	18.16
Malaya .....	2.52
Norway .....	6.72
Pakistan .....	10.00
Sudan .....	1.01
Sweden .....	10.00
Thailand .....	3.03
United Kingdom .....	131.14
United States .....	320.29
Viet-Nam .....	1.51
	\$686.14

In addition to the above countries, the following have also signed the articles of agreement but require to complete other formalities for membership:

Ecuador	Honduras
Ethiopia	The Netherlands

Other present member countries of the Bank can still become original members of IDA up to December 31, 1960.

## Mali and Senegal Admitted to U.N.

*Statement by James J. Wadsworth  
U.S. Representative in the Security Council<sup>1</sup>*

The United States warmly welcomes the applications of the Republic of Senegal and the Republic of Mali for membership in the United Nations. They both bring old and honorable names to the roster of the United Nations, and we look forward to the contributions that both will make to our work.

The Republic of Mali, as its birthright by geography and history, has inherited a great name. The Mali Empire for hundreds of years was the richest and most powerful as well as the most cultured of the ancient Sudanese empires. But Mali also looks to the future with confidence and energy. In the days ahead she will be one of the great nations in a nascent Africa. It is engaged in a program of economic development which holds great promise and which we hope will achieve success.

The United Nations itself is challenged as never before. The United States welcomes the enthusiasm and vitality which the Republic of Mali will bring to what Prime Minister Modibo Keita has

<sup>1</sup> Made in the Security Council on Sept. 28 (U.S./U.N. press release 3510).

described  
for peace  
The Re  
experien  
has its in  
work of t  
Then  
opportun  
expressio  
mendous  
having m  
art, and  
even has  
ized age,  
outstand  
egal's P  
Minister  
well kno  
played i  
capital,  
of Afric  
Its level  
of the h  
leadersh  
a stable  
There  
will vote  
olutions  
public o  
are hap  
Assembl  
these tw  
ure the  
importa  
  
U.S. S  
Against  
  
Stateme  
U.S. Re  
  
I rise  
behalf o  
retary o  
  
<sup>2</sup> The S  
mended t  
Republic  
sembly ad  
  
<sup>3</sup> Made  
press rele

described as the United Nations' "great crusade for peace."

The Republic of Mali has had a long and rich experience. It has men of stature to lead it. It has its independence and is anxious to help in the work of the United Nations.

Then, Mr. President, with independence the opportunities of the Republic of Senegal for self-expression and for service to the world are tremendously enhanced. Senegal is fortunate in having men of ability in many fields—government, art, and sciences—to fulfill its obligations. It even has that rarest of individuals in our specialized age, a poet and grammarian who is also an outstanding statesman. I refer, of course, to Senegal's President, Leopold Senghor. Its Prime Minister, Mamadou Dia, and others are equally well known to us for the leading part they have played in the political life of their country. Its capital, Dakar, is one of the intellectual centers of Africa, the seat of the University of Dakar. Its level and rate of economic development is one of the highest in Africa. Its high standard of leadership and economic activity give promise of a stable future.

Therefore, Mr. President, the United States will vote with sympathy and pleasure for the resolutions recommending the admission of the Republic of Senegal and the Republic of Mali. We are happy to see that later today the General Assembly will also have the opportunity to pass on these two applications. We anticipate with pleasure the participation of Senegal and Mali in the important work which faces us.<sup>2</sup>

## U.S. Supports United Nations Against Soviet Attack

*Statement by James J. Wadsworth  
U.S. Representative to the United Nations*<sup>1</sup>

I rise in right of reply to the Soviet Union on behalf of and with the authorization of the Secretary of State.

<sup>2</sup> The Security Council on Sept. 28 unanimously recommended the admission of the Republic of Mali and the Republic of Senegal; on the same day the General Assembly admitted them by acclamation.

<sup>1</sup> Made in plenary session on Sept. 23 (U.S. delegation press release 3497).

The United Nations is in a crisis. It is in a crisis, first through the effort of the Soviet Union to turn the world's greatest body for peace into a propaganda forum to serve the interests of Communist imperialism.

The Soviet Union has, I am sorry to say, chosen the path of invective and falsehood instead of the path of constructive progress outlined in the speech of President Eisenhower.<sup>2</sup> The response of the United States will be vigorous, brief, and straightforward. Let there be no mistake that it was the Soviet Union which injected into this Assembly an atmosphere of dissension and vindictiveness.

Chairman Khrushchev has accused the United States of aggressive acts against the Soviet Union and has demanded they be discussed immediately in plenary session. The Security Council has already rejected these charges.<sup>3</sup> The Soviet Union itself vetoed our offer of an impartial investigation of the wanton destruction of the RB-47 over international waters. The Soviet charges are false, and they are not made in good faith. They should not be on our agenda in the first place. We will oppose the kind of debate that the U.S.S.R. wishes to have in plenary session on these subjects, although we will never object to having the truth brought out in the proper committee forum, as we will demonstrate in the General Committee deliberations soon to come.

Chairman Khrushchev accuses the United States, the United Kingdom, France, Italy, and Canada of having "indulged in nothing but meaningless talk" about disarmament in the 10-member committee. Let us leave it to the verbatims of those talks as to whether his charge is correct, and let us remember that it was the Soviet Union which walked out of these talks at the very moment when it was told that new Western proposals were about to be submitted.<sup>4</sup> This is not the first time that the U.S.S.R. has walked out on disarmament negotiations. The same Soviet delegate—Mr. [Valerian] Zorin—walked out of the disarmament negotiations in London in 1957, immediately after new Western proposals had been put forward.

<sup>2</sup> For text, see BULLETIN of Oct. 10, 1960, p. 551.

<sup>3</sup> *Ibid.*, June 13, 1960, p. 955, and Aug. 15, 1960, p. 235.

<sup>4</sup> For text of the report of the U.S. delegation to the Conference of the Ten-Nation Committee on Disarmament, see *ibid.*, Aug. 22, 1960, p. 267.

Let the United States attitude in this, Mr. President, not be construed as meaning that we will not continue to try to get the U.S.S.R. to negotiate seriously even though we have failed so far. But we will not, and cannot, and should not tolerate disarmament being made into a sheer propaganda battle. We will oppose its being taken up in plenary and will press for thoughtful consideration by all members of this Assembly in the First Committee.

The Soviet Union also demands immediate plenary consideration of the elimination of colonialism in the world. This is a strange demand indeed from a country whose imperialism has embraced more people, more territory, and more oppression than anything else the 20th century has ever seen.

We are in agreement, Mr. President, with the principle that the world has long realized that colonialism must go. President Eisenhower made this clear yesterday—both the 19th-century type of colonialism which is already disappearing and the 20th-century Communist colonialism which at present is rampant—but the Soviet proposal in their declaration as presented today is not the way to deal with either type of colonialism. If we of the Assembly succumb to the emotional pressures which the Soviet Union is seeking to generate, it will make more difficult, not less difficult, the unprecedented rapid progress toward independence and self-government which the world is undergoing and which is reflected in the happy presence of so many new states at this session, particularly from Africa. Let our decisions be sober and constructive, not flamboyant and destructive.

But there is a second and possibly even more serious crisis, a crisis which consists of an attempt to destroy the office and the very structure of the Secretary-General and the Secretariat and through it to destroy the United Nations.

This is the same sustained crisis which the Soviet Union posed at the recent meetings of the Security Council and in the emergency General Assembly which closed just before this 15th General Assembly opened, and in both these bodies the United Nations stood firmly and the Assembly firmly endorsed the stand.<sup>5</sup> The crisis has now been sharpened by a direct attack from the head of the

Soviet state himself against the office of the Secretary-General.

The Soviet Union has sought to crush another Secretary-General, Mr. Trygve Lie, because he stood up against Communist aggression in Korea. It is now attempting to crush the very office of the Secretary-General itself, in keeping with the philosophy of what we might term "what we cannot control we will destroy."

The United Nations, Mr. President, must face this crisis head on. If it does not, it will fail.

## U.S. Views on Soviet Proposal To Enlarge Disarmament Committee

*Following is a statement read to news correspondents on September 27 by Francis W. Carpenter, spokesman for the U.S. delegation to the United Nations, in response to questions about a Soviet proposal<sup>1</sup> to add five countries to the Ten-Nation Committee on Disarmament.*

U.S. delegation press release 3505

The disarmament question is not primarily a problem of the structure of the negotiating body. It is a question of the willingness of the Soviet Union to negotiate an equitable and realistic agreement.

There have been numerous United Nations bodies for disarmament, none of which so far has been able to overcome Soviet refusal to accept balanced and controlled disarmament proposals.

We have had commissions for conventional and atomic disarmament, the Disarmament Commission, the Subcommittee of the Disarmament Commission (which the U.S.S.R. boycotted in 1957), an enlarged 25-member Disarmament Commission (in which the U.S.S.R. refused to participate), an 82-member Disarmament Commission (which the U.S.S.R. threatened to boycott this summer), and the 10-member committee (which the U.S.S.R. walked out of in June and to which we have unsuccessfully urged them to return).

The problem is not one of making another forum—the U.S.S.R. itself proposed the 10-nation committee—it is one of willingness to negotiate with integrity. I would remind you of what Ambassador Wadsworth pointed out in the General

<sup>5</sup> *Ibid.*, Oct. 3, 1960, p. 527, and Oct. 10, 1960, p. 583.

<sup>1</sup> For text, see U.N. doc. A/4509.



Assembly the other day [September 23]: Twice in recent years the U.S.S.R. has refused to return to disarmament negotiations at a time when new Western proposals were introduced.

## U.S. Replies to Cuban Attack in General Assembly

*Statement by James J. Wadsworth  
U.S. Representative to the United Nations*<sup>1</sup>

I have asked to speak briefly under the right of reply to the intervention made here yesterday afternoon and evening by the Prime Minister of Cuba [Fidel Castro]. As we all know, most of this speech consisted of charges against the United States.

Although confronted with charges of a provocative character, we do not intend to reply in kind but only in the quiet and constructive tones used by Ambassador [Henry Cabot] Lodge in the Security Council on this same subject,<sup>2</sup> and to which this Assembly is entitled. This is particularly true when dealing with our sister Republic and neighbor, Cuba, with whom our traditional ties of friendship have been so intimate and so strong.

The relations between the Cuban Government and people and the Government and people of the United States have been friendly, cordial, and close. And when the present Government of Cuba came into power there was widespread sympathy all over the United States for the aims and ideals—including particularly those of land reform—which the new Government professed, and the United States Government promptly recognized that new Government.

I will not attempt to deal now with the numerous charges which were laid against us yesterday. Most of these charges—which are not new—have already been answered by the United States both in the Security Council and in the Organization of American States, both of which bodies have

rejected them.<sup>3</sup> In order that the new members of the United Nations and others who were not present at these occasions may have the correct facts, however, the United States will make available a document within the next few days dealing fully with the issues involved.

At this point I would add just one other word. The United States has constantly sought a constructive approach to the complaints of the Cuban Government. During the past month, the United States has urged utilization of the *ad hoc* committee created by the Organization of American States to clarify facts and extend good offices.<sup>4</sup> This committee was created by the Seventh Meeting of Foreign Ministers of the American Republics at San José, Costa Rica, in August. As we have said before, Mr. President, our record in our relations in Cuba is an open book. We are prepared to cooperate with this committee of which I have spoken, and we have urged Cuban cooperation. So far Cuba has ignored the OAS efforts to deal with the question.

We remain confident today, Mr. President, in spite of attacks which seek to divide us, that the Cuban people and the American people will remain close in mutual esteem and respect, for the simple reason that they are bound by common ideals and aspirations, as well as the links of history, geography, and economic well-being.

## Graham A. Martin Given Rank of Ambassador by President

The Department of State announced on September 28 (press release 568) that President Eisenhower on that date gave Graham A. Martin, the newly appointed U.S. Representative to the European Office of the United Nations and Other International Organizations, the personal rank of Ambassador.

<sup>1</sup> For statements by Secretary Herter at the Seventh Meeting of Consultation of the American Foreign Ministers and the text of the Declaration of San José, see *ibid.*, Sept. 12, 1960, p. 395.

<sup>4</sup> Members of the *Ad Hoc* Good Offices Committee are Brazil, Chile, Colombia, Costa Rica, Mexico, and Venezuela.

<sup>2</sup> Made in plenary session on Sept. 27 (U.S. delegation press release 3506).

<sup>3</sup> BULLETIN of Aug. 8, 1960, p. 199.

## U.S. Supports Inclusion on General Assembly Agenda of Items on Tibet, Soviet Complaint of U.S. Aggression, and Hungary

*Following are statements made by Ambassador James J. Wadsworth, U.S. Representative to the United Nations, in General Committee on September 22 regarding inclusion of an agenda item on Tibet and on September 23 regarding items on Soviet charges of U.S. aggression and on Hungary.*

### TIBET

U.S. delegation press release 3494

Last year the General Assembly discussed the question of Tibet and adopted a resolution by which it expressed its grave concern at the denial of fundamental human rights and freedoms to the people of Tibet and deplored the effect on international relations of the events in that unhappy land.<sup>1</sup>

The General Assembly issued a solemn appeal which called for respect for the fundamental human rights of the Tibetan people and for their distinctive cultural and religious life. Despite this appeal the fundamental human rights of the Tibetan people continued to be systematically disregarded and equally systematically destroyed. For this reason the delegations of the Federation of Malaya and Thailand have proposed that the Assembly again address itself to the plight of these unfortunate people.

In recent years the moral influence of the General Assembly has increasingly been brought to bear on questions regarding fundamental human rights in all parts of the world where these rights have been denied. Tibet is surely one of the most grievous examples of this denial and one upon

which the General Assembly must bring its influence.

Although we may all regret the deterioration which has taken place in Tibet, it is this situation which makes it all the more necessary for the General Assembly to discuss this item. The United States therefore fully supports the inclusion of the Tibetan item on our agenda, and at the appropriate time we will support its debate in plenary session.

### SOVIET COMPLAINT OF U.S. AGGRESSION

U.S. delegation press release 3499

There have been no aggressive actions by the United States against the Soviet Union or against any other country. The item proposed by the Soviet Union on this subject is founded on falsehood—not a new falsehood, Mr. President, but one which has already been exposed in the United Nations.

In the RB-47 case the Soviet Union vetoed an impartial investigation of its charges against us. Furthermore, it still detains illegally two eyewitnesses, two surviving American fliers from the aircraft which they shot down, and have denied them any contact with the outside world. Thus they have refused to let the world look behind their story to establish the facts.

The United States has nothing to fear from these repudiated charges. We are certain that consideration of them by the General Assembly will again expose them as groundless.

In line with our usual practice of favoring full debate of accusations against us, the United States will vote to inscribe this Soviet item.

<sup>1</sup> BULLETIN of Nov. 9, 1959, p. 683.

<sup>2</sup> *Ibid.*, Aug. 15, 1960, p. 235.

At the same time, Mr. President, we consider that the title of this item is not worded in the customary manner and is totally prejudicial to the debate which will follow its inscription. I therefore formally propose that the title of this item be amended to read: "Complaint of the U.S.S.R. about a menace to world peace created by aggressive actions of the United States of America against the Soviet Union."

[In a further statement Ambassador Wadsworth said:]

Very briefly, Mr. President, regardless of what Chairman Khrushchev might have said today, regardless of what the distinguished representative of the Soviet Union might have said today, the fact remains that this is a complaint by the Soviet Union. The facts remain that the complaint by the Soviet Union having been taken up already in one of the main organs of the United Nations has not been upheld as being accurate, and the fact therefore remains that my formulation, as I have suggested it, is the proper one.

#### HUNGARY

U.S. delegation press release 3501

I will be brief. The necessity for the inscription of this item is abundantly clear. But before entering into my brief argument I wish to apologize most profoundly to Sir Leslie Munro for the completely inadvertent slip of the tongue which I committed in a previous intervention. Anyone who knows Sir Leslie knows perfectly well that he could not be the tool of anyone.

Now, he was appointed by resolution 1312 (XIII) <sup>3</sup> for the purpose of reporting to member states or to the General Assembly on significant developments relating to the implementation of the General Assembly's resolution on Hungary. After receiving and debating the objective and detailed report of the Special Representative, the 14th General Assembly on December 9, 1959, in resolution 1454 (XIV) <sup>4</sup> requested him to continue his efforts. Both of these resolutions I have mentioned specifically call upon the Union of Soviet Socialist Republics and the present Hungarian regime to cooperate with the United Nations Special Representative.

On April 8, 1960, in a press conference held at the European offices of the United Nations in Geneva, the Special Representative announced that his efforts to consult with the Foreign Ministers of the Soviet Union and Hungary pursuant to his mandate had been rebuffed. Therefore it is obvious that the Union of Soviet Socialist Republics and the present Hungarian regime have deliberately ignored the appeal of the General Assembly contained in resolution 1454.

The Special Representative at the same press conference also publicly asked for certain details concerning the partial amnesty which was announced by the present Hungarian regime on March 31, 1960. He also indicated his continuing desire to enter into consultation with the appropriate authorities of Hungary and the Soviet Union in order to discharge the task assigned to him by the General Assembly.

Mr. President, the intransigence of the Union of Soviet Socialist Republics and the present Hungarian authorities requires that this Assembly again consider the serious situation posed by the continued defiance of the Assembly's resolutions on the question of Hungary.

[In a further statement Ambassador Wadsworth said:]

Mr. President, I know that I share with virtually all the other members of this committee hesitation in prolonging this particular discussion. But two or three things simply call in my mind for comment.

The representative of Bulgaria has repeatedly referred to Sir Leslie Munro as the "so-called representative of the General Assembly," which apparently means that he does not recognize the resolution which created the position nor the action which put Sir Leslie Munro into that position. One might suppose from the remarks of our esteemed colleague from Rumania that any resolution which he dislikes is therefore automatically illegal.

I think that this committee should take a decision here and now on this question, remembering always that this question has been discussed before, that there are completely legal and valid resolutions of the General Assembly dealing with it, and that the Assembly is certainly, and should be, seized of it.<sup>5</sup>

<sup>5</sup> The General Committee recommended inclusion of the Tibet item on Sept. 22 and the Soviet complaint and the Hungary item on Sept. 23.

<sup>3</sup> For text, see *ibid.*, Jan. 12, 1959, p. 62.

<sup>4</sup> For text, see *ibid.*, Dec. 28, 1959, p. 946.

## U.S. Participation in the United Nations During 1959

*Following is the text of a letter from President Eisenhower transmitting to the Congress the 14th annual report on U.S. participation in the United Nations.<sup>1</sup>*

*To the Congress of the United States:*

Pursuant to the United Nations Participation Act, I transmit herewith the fourteenth annual report, covering United States participation in the United Nations during the year 1959.

Once again in 1959 the United Nations demonstrated its value in promoting the goals of peace which the people of the United States hold in common with the great majority of the peoples of the world. Especially significant were United Nations actions in response to a request for help from Laos; in promoting cooperation in the peaceful use of outer space; in furthering the economic and social welfare of peoples in rapidly or newly developing nations; and in guiding and assisting the rapid, historic evolution of dependent peoples toward self-government or independence.

1. When the Kingdom of Laos asked the help of the Security Council in preserving its freedom and independence, the Council dealt with the situation swiftly and effectively. Its decision to send a subcommittee to Laos provided a tranquilizing influence and was followed by further important steps.

The crisis developed from attempts by the Communist bloc to subvert the independence of Laos. Rebel forces within the country were receiving active support from the Communists in north Vietnam. Communist propaganda emanating simultaneously from Hanoi, Peiping, and Moscow sought to confuse world opinion.

In these circumstances, the Lao Government

appealed to the United Nations for assistance. Over Soviet opposition the Security Council adopted a resolution introduced by the United States establishing a fact-finding subcommittee consisting of Argentina, Italy, Japan, and Tunisia.<sup>2</sup>

This subcommittee visited Laos to obtain the facts of the situation at firsthand. Its presence there immediately had a quieting effect. Fighting abated, and the threat to the nation's independence was reduced.

After completing its inquiry the subcommittee issued a report on its findings<sup>3</sup> which helped the Security Council and world opinion to understand better the danger confronting Laos.

In November Secretary-General Hammarskjöld visited Laos. He reached the conclusion that one way to speed the return of stability to Laos was to provide international aid and guidance in economic development. He later sent a personal representative, Mr. Sakari Tuomioja, a former Prime Minister of Finland and Executive Secretary of the Economic Commission for Europe, to consider how the United Nations could best assist Laos in this field. Before the end of the year Mr. Tuomioja completed a report recommending a broad economic and technical assistance program for the development of the country.

The Security Council's action on Laos also opened up new possibilities for action in the Security Council free of the veto. In establishing the subcommittee in spite of an attempted Soviet veto the Council showed that it would not allow the use of the so-called "double veto" to prevent it from taking a step which was clearly procedural under the Charter.

2. Peaceful cooperation in the realm of outer space took an important step forward in December 1959 when a new United Nations Committee on the Peaceful Uses of Outer Space was established.

<sup>1</sup> Reprinted from *U.S. Participation in the UN: Report by the President to the Congress for the year 1959* (H. Doc. 378, 86th Cong., 2d sess.); Department of State publication 7016, for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. (ix, 282 pp., 75 cents).

<sup>2</sup> BULLETIN of Sept. 28, 1959, p. 456.

<sup>3</sup> U.N. doc. S/4236.



by the General Assembly.<sup>4</sup> This step resulted from extensive discussions at the United Nations among representatives of the United States, the Soviet Union, and other interested states. Thereby new possibilities have been opened for cooperation in a field which, like that of atomic energy, promises widespread benefits to mankind.

The basis for this forward step was laid when the original Ad Hoc Committee on the Peaceful Uses of Outer Space was set up by the General Assembly in December 1958.<sup>5</sup> This Committee met in May and June. It prepared a valuable report<sup>6</sup> which described existing international interests in this field, suggested technical areas where international cooperation could immediately contribute to progress, and identified potential legal problems.

However, the Committee had to conduct its work without the participation of the U.S.S.R., Czechoslovakia, and Poland, who refused to accept the General Assembly's decision on composition of the Committee. India and the United Arab Republic thereupon also declined to attend. Nevertheless, the Committee under the able chairmanship of Japan was able to perform much useful exploratory work, and its report provided a sound basis for further consideration of the peaceful uses of outer space during the 14th session.

In December, after long negotiations at the 14th session of the General Assembly, the Soviet Union decided to participate in a new Outer Space Committee of twenty-four members. The General Assembly thereupon established this new group and asked it to study outer space programs which might appropriately be undertaken under United Nations auspices and the nature of legal problems that might arise in outer space.

The General Assembly also assigned to the Outer Space Committee responsibility for working out proposals for an international scientific conference of members of the United Nations and the Specialized Agencies on the peaceful uses of outer space, to be held in 1960 or 1961. The Soviet Union's suggestion of such a conference was immediately welcomed by the United States. It can bring about an important exchange of knowledge in both the science and the technology of outer space.

3. Again in 1959 the General Assembly gave expression to the widespread desire for a sound and workable system of controlled disarmament, and showed its interest in the efforts of the powers principally involved to work out such a system.

In August 1959 the United States, France, the United Kingdom, and the Soviet Union agreed to set up outside of the United Nations framework a new ten-nation Committee to explore possible avenues by which progress might be made in the disarmament field.<sup>7</sup> In addition to these four states its membership includes Bulgaria, Canada, Czechoslovakia, Italy, Poland, and Rumania. It first convened at Geneva in March 1960.

In announcing the formation of this group, the four countries emphasized that the establishment of this Committee "in no way diminishes or encroaches upon the United Nations responsibilities in this field." They also made clear their intention to keep the United Nations Disarmament Commission informed of the progress of the deliberations and to submit reports to it regularly.

Disarmament took up a major part of the debates of the 14th General Assembly. Altogether, the Assembly heard the views of 65 member states, including those of the United States, United Kingdom, France, and the Soviet Union. A resolution was unanimously adopted which expressed the hope that "measures leading toward the goal of general and complete disarmament under effective international control" would be agreed upon in the shortest possible time.<sup>8</sup> The resolution also transmitted various disarmament proposals, including those of the Soviet Union and the United Kingdom, to the new 10-nation group for its consideration. Also submitted to this group was an Irish proposal calling for study of the problem of further dissemination of nuclear weapons.<sup>9</sup>

Two resolutions were passed relating to nuclear weapons tests. The first, addressed to the three powers negotiating in Geneva for an end to such tests, urged them to continue their efforts to reach an agreement "including an appropriate international control system," and meanwhile to continue their present voluntary discontinuance of

<sup>7</sup> BULLETIN of Sept. 28, 1959, p. 438.

<sup>8</sup> For text, see *ibid.*, Nov. 23, 1959, p. 766.

<sup>9</sup> For background on the conference of the Ten-Nation Committee which met at Geneva Mar. 15-June 28, 1960, see *ibid.*, Aug. 22, 1960, p. 267, and Sept. 5, 1960, p. 382.

<sup>4</sup> BULLETIN of Jan. 11, 1960, p. 64.

<sup>5</sup> *Ibid.*, Jan. 5, 1959, p. 24.

<sup>6</sup> U.N. doc. A/4141.

nuclear testing.<sup>10</sup> The other resolution requested France not to hold its scheduled tests in the Sahara.<sup>11</sup>

4. The tragedy of Communist China's actions in Tibet confronted the United Nations with a serious challenge.

In early March world opinion was shocked by the brutal actions of the Chinese Communists in their efforts to impose communism on Tibet by force. Later the Dalai Lama, the spiritual and temporal leader of the Tibetan people, was forced to flee. From his asylum in India he appealed to the United Nations to consider the plight of his countrymen.

The situation in Tibet was of direct concern to the General Assembly in fulfilling its Charter responsibility to promote universal respect for fundamental human rights and freedoms. Over the opposition of the Soviet Union the Assembly adopted a resolution<sup>12</sup> sponsored by Malaya and Ireland in which it expressed its grave concern over the situation in Tibet and called for respect for the fundamental human rights of the Tibetan people and for their distinctive cultural and religious life.

5. The United Nations once again gave attention to the continuing repression of the people of Hungary.

Both the Soviet Union and the Hungarian regime have consistently refused to permit the United Nations Special Representative on Hungary, Sir Leslie Munro, to enter Hungary on behalf of the United Nations. In spite of this intransigent attitude, he compiled an impressive report<sup>13</sup> on current conditions in Hungary which, among other matters, noted that Hungarian patriots of 1956 were still being put to death.

On the initiative of the United Nations Special Representative and the United States, the General Assembly again placed the question of Hungary on its agenda. The Soviet delegate strongly opposed inscription of an item on Hungary, claim-

ing that it would be contrary to what he called the "spirit of Camp David"—a theme which the Soviet Union sought to exploit throughout the session.

Ambassador [Henry Cabot] Lodge immediately and correctly replied that nothing took place during discussions at Camp David with Premier Khrushchev which would require the United Nations to ignore or condone what was happening in Hungary.<sup>14</sup> He emphasized that if the Soviet Union wished to live up to the spirit of Camp David it should abide by the United Nations resolutions on Hungary and cooperate with Sir Leslie Munro in his efforts to carry out his mandate.

The United States, together with twenty-three other nations, introduced a resolution deploring the disregard of the Assembly's resolutions by the Soviet and Hungarian authorities and calling upon them to cooperate with the United Nations Representative.<sup>15</sup> This resolution was adopted by a large majority. In addition, the Assembly once again refused to accept the credentials of the representatives of the Hungarian regime.<sup>16</sup> Together, these actions demonstrated the world community's indignation over the continued Soviet-inspired repression in Hungary.

6. The problem of the future of approximately one million Arab refugees from Palestine, most of whom are now in Jordan, the Gaza Strip and Lebanon, has been a matter of concern to the United Nations since 1949.

This problem required thorough reexamination by the General Assembly in 1959 because the mandate of the United Nations Relief and Works Agency for Palestine Refugees was due to expire June 30, 1960. The United States has continued its substantial support for this major United Nations activity in the interest of the well-being of the refugees and the stability of the area. UNRWA has done an effective job in providing relief to the refugees at a low per capita cost.

The Assembly took several constructive steps in an effort to better the present situation and to find a solution to this pressing problem. It unanimously extended UNRWA's mandate for three years with provision for a review at the end of two years. It urged the acceleration of programs

<sup>10</sup> For text of resolution, see *ibid.*, Dec. 21, 1959, p. 919; for an article by William J. Gehron on "Geneva Conference on the Discontinuance of Nuclear Weapon Tests," see *ibid.*, Sept. 26, 1960, p. 482.

<sup>11</sup> U.N. doc. A/RES/1379 (XIV).

<sup>12</sup> For background and text of resolution, see *BULLETIN* of Nov. 9, 1959, p. 683.

<sup>13</sup> U.N. doc. A/4304.

<sup>14</sup> *BULLETIN* of Dec. 14, 1959, p. 875.

<sup>15</sup> *Ibid.*, Dec. 28, 1959, p. 942.

<sup>16</sup> *Ibid.*, Jan. 4, 1960, p. 17.

to make more of the refugees self-supporting. It asked that irregularities in the distribution of relief rations be stopped. Finally, it requested the Palestine Conciliation Commission to make further efforts to secure the implementation of the Assembly's decision in 1948 that the refugees wishing to return to their homes and to live at peace with their neighbors should be permitted to do so and that compensation should be paid for property left behind by those not choosing to return.

The United States stressed during the debate that a fundamental solution of the problem must be sought by all available means.<sup>17</sup>

7. The Assembly made a further significant contribution to stability in the Middle East by voting continued support for the United Nations Emergency Force.

UNEF consists of about 5,000 soldiers from seven countries, patrolling the armistice demarcation lines between the Egyptian part of the United Arab Republic and Israel. It is a remarkable demonstration of what international cooperation can do to help keep the peace.

The cost of maintaining UNEF is the collective responsibility of all member nations who are assessed for its upkeep on the basis of their contributions to the regular budget of the United Nations. However, the Soviet Union has refused to pay any of its share. A number of member states have found difficulty in paying even small amounts. In an effort to reduce the burden on these countries, the United States and a few other countries have made voluntary contributions over and above their regular shares during the past few years.

At its last session the Assembly adopted a resolution under which the voluntary contributions amounting to about \$3½ million will be applied to reduce by 50 percent the assessments of members beginning with those with the smallest assessments.

For our part, the United States will continue to support UNEF because we firmly believe it constitutes a major bulwark of peace in the Middle East.

8. The review and possible revision of the

United Nations Charter continue to attract considerable interest.

With the full support of the United States, the General Assembly decided again at its 14th session to continue its Committee on Arrangements for a Charter Review Conference and asked the Committee to report again no later than the 16th session of the Assembly. The United States continues to favor the holding of a review conference whenever a substantial majority of the member states believe that the international climate is conducive to constructive review.

9. As at the 13th and earlier sessions, the Assembly, once again by a sizable majority, decided not to consider the question of Chinese representation.<sup>18</sup> As a result, the position of the Government of the Republic of China in the United Nations was maintained.

10. The General Assembly also once again reaffirmed its desire, against Soviet opposition, to bring about the unification of Korea on the basis of genuinely free elections under United Nations supervision.<sup>19</sup>

11. The United Nations contributed further in 1959 to progress for dependent peoples toward the Charter goal of self-government or independence. In recognition of the rapid progress they have made, the General Assembly acted to terminate United Nations trusteeship in three trust territories in Africa—Cameroun, Togoland, and Somalia—as well as in Western Samoa in the Pacific. The first to achieve independence was Cameroun. A distinguished United States delegation headed by Ambassador Lodge attended the Cameroun inaugural ceremonies on January 1, 1960.

In six other trust territories the United Nations trusteeship system continues to encourage progress in advancing the people toward self-government or independence.

12. It is especially gratifying for Americans that the General Assembly, in reviewing the progress of dependent territories throughout the world, commended the United States for bringing about full statehood for Hawaii and Alaska. On July 4, 1959, the new 49-star American flag was raised at the United Nations, and the 50-star flag replaced it this July.

<sup>18</sup> *Ibid.*, Oct. 12, 1959, p. 517.

<sup>19</sup> *Ibid.*, Jan. 4, 1960, p. 18.

<sup>17</sup> *Ibid.*, p. 31.

13. Multilateral action for economic advancement of underdeveloped countries was given added impetus in 1959 as a result of a series of developments in which the United States took an active and leading role.

The financial resources of the International Bank for Reconstruction and Development were doubled and the capital of the International Monetary Fund was increased by 50 percent. The United States, pursuant to Congressional action, has increased its subscriptions to these two international financing institutions.<sup>20</sup>

The Board of Governors of the World Bank approved the United States proposal to establish an International Development Association as an affiliate of the Bank. We hope that this institution, which is designed to assist the underdeveloped countries by financing long-term, low-interest projects which cannot be considered by the Bank under its charter, will become operational in the latter part of 1960.

The United Nations Special Fund, which resulted from the initiative of the United States, began its operations on January 1, 1959, with pledges totaling about \$25.8 million of which the United States contribution amounted to about \$10.3 million. Pledges for 1960, including the United States share, will total an estimated \$38.8 million—half again as much as in the first year.

The Special Fund added significantly to the effective work of the United Nations Technical Assistance Program which conducted its activities in 1959 with financial resources amounting to about \$29.7 million. The United States contributed about \$11.9 million of this amount.

The United Nations is a growing organization—growing both in membership and in maturity. Each year it has been confronted with new issues and, in meeting them, has demonstrated anew what great value it has for man in his quest for peace with justice. Given our sustained and vigorous support, it will continue to advance the interests of the American people and of free nations everywhere.

DWIGHT D. EISENHOWER

THE WHITE HOUSE, August 16, 1960.

<sup>20</sup> For background, see *ibid.*, Feb. 23, 1959, p. 279; Mar. 9, 1959, p. 347; and Oct. 5, 1959, p. 488.

## United States Delegations to International Conferences

### ECE Timber Committee

The Department of State announced on September 30 (press release 569) that William Gerard Reed, chairman, Simpson Timber Co., Seattle, Wash., has been designated U.S. delegate to the 18th session of the Timber Committee of the U.N. Economic Commission for Europe (ECE), which will be held at Geneva October 3-7.

The Timber Committee is one of the principal committees of ECE, which provides a forum in which experts in the field of timber may meet periodically to consider matters of common interest. Discussions at this session will be devoted to a review of the European timber market and a study of certain economic and technological problems of the European timber industry.

Mr. Reed will be assisted by members of the U.S. resident delegation at Geneva.

## Current U.N. Documents: A Selected Bibliography<sup>1</sup>

### Economic and Social Council

Technical Assistance Activities of the United Nations: Corrigendum to report by the Secretary-General. E/3386/Corr. 1. June 20, 1960. 1 p.

Technical Assistance in Public Administration: Provision of Operational, Executive and Administrative Personnel. Corrigendum to report by the Secretary-General. E/3370/Corr. 1. June 20, 1960. 1 p.

Economic Development of Under-developed Countries: Opportunities for International Co-operation on Behalf of Newly Independent Countries. Report of the Secretary-General. E/3387/Add. 1. June 20, 1960. 12 pp.

World Economic Situation: Evaluation of Long-Term Economic Projections. Replies of governments, intergovernmental organizations, and specialized agencies to the questionnaire on long-term economic projections. E/3379/Add. 3, June 20, 1960, 98 pp.; Add. 4, June 20, 1960, 45 pp.

Survey on the Main Trends of Inquiry in the Field of the Natural Sciences, the Dissemination of Scientific Knowledge and the Application of Such Knowledge for Peaceful Ends. Comments of the Director General of UNESCO. E/3362/Add. 1. June 22, 1960. 10 pp.

General Review of the Development and Co-ordination of the Economic, Social and Human Rights Programmes and Activities of the United Nations and the Specialized Agencies as a Whole: Report of the World Health Organization. E/3364/Add. 1. June 23, 1960. 12 pp.

<sup>1</sup> Printed materials may be secured in the United States from the International Documents Service, Columbia University Press, 2960 Broadway, New York 27, N.Y. Other materials (mimeographed or processed documents) may be consulted at certain designated libraries in the United States.



## TREATY INFORMATION

### Income-Tax Convention Signed With Israel

Press release 571 dated September 30

A convention between the United States and Israel for the avoidance of double taxation of income and for the encouragement of international trade and investment was signed at Washington on September 30 by Christian A. Herter, Secretary of State, and Avraham Harman, Israeli Ambassador in Washington.

The provisions of the convention follow, in general, the pattern of income-tax conventions presently in force between the United States and a number of other countries. In accordance with the announced administration policy of assisting in the promotion of private investment in underdeveloped countries by allowing a credit for income-tax incentives granted in such countries, the convention contains a provision for this purpose.

The convention provides that upon the exchange of instruments of ratification it shall be effective (a) in the case of U.S. tax, for taxable years beginning on or after January 1 of the year in which the exchange takes place and (b) in the case of Israeli tax, for the tax years beginning on or after April 1 of the year in which the exchange takes place.

The convention will be submitted to the Senate for advice and consent to ratification early in the first session of the 87th Congress.

### U.S. and Scandinavian Countries Conclude Air Consultations

Press release 566 dated September 28

Aviation delegations representing the Governments of Denmark, Norway, and Sweden on the one hand and the Government of the United States on the other met at Copenhagen for consultations during the period September 12 through

September 28, 1960. These consultations were held on U.S. initiative for the purpose of resolving certain basic differences in interpretation and application of the capacity provisions of the air transport agreements between the United States and the three Scandinavian countries. It became clear during the course of the discussions that the views held by the respective delegations on the capacity provisions of the agreements differed considerably. The consultations have been conducted in the friendly atmosphere that has traditionally characterized the relations between the Scandinavian countries and the United States in the field of civil aviation. The delegations will now report to their respective Governments.

## Current Actions

### MULTILATERAL

#### Atomic Energy

Statute of the International Atomic Energy Agency. Done at New York October 26, 1956. Entered into force July 29, 1957. TIAS 3873.

Acceptance deposited: Ghana, September 28, 1960.

### BILATERAL

#### India

Agreement supplementing the agricultural commodities agreement of May 4, 1960, as supplemented (TIAS 4499 and 4543), with exchange of notes. Signed at Washington September 23, 1960. Entered into force September 23, 1960.

#### Indonesia

Agreement for cooperation concerning civil uses of atomic energy. Signed at Washington June 8, 1960. Entered into force: September 21, 1960.

#### Italy

Agreement amending the agreement of November 20 and December 14, 1951 (TIAS 3136), concerning the disposition of equipment and material furnished in connection with the mutual defense assistance program. Effected by exchange of notes at Rome September 7, 1960. Entered into force September 7, 1960.

#### Korea

Agreement supplementing and amending the agricultural commodities agreement of June 30, 1959, as amended (TIAS 4256 and 4393). Effected by exchange of notes at Seoul September 14, 1960. Entered into force September 14, 1960.

#### United Arab Republic

Agreement supplementing and amending the agricultural commodities agreement of August 9, 1960 (TIAS 4551). Effected by exchange of notes at Cairo September 17, 1960. Entered into force September 17, 1960.

## DEPARTMENT AND FOREIGN SERVICE

### Post at Lagos Raised to Embassy

The Department of State announced on September 30 (press release 573) that the American consulate general at Lagos, Federation of Nigeria, will be elevated to an Embassy on October 1, 1960, upon the accession of that country to independence. Joseph Palmer II has been appointed the first American Ambassador to the new nation.

The United States first opened a consulate in Lagos in 1916. Today the U.S. mission there consists of the consulate general, an International Cooperation Administration liaison office established in 1958, and the United States Information Service, there since 1949. At the present time there are four U.S. information centers in Nigeria. The principal one is located in the federal capital, Lagos, and one in each of the regional capitals, Ibadan, Kaduna, and Enugu.

### Designations

Milton Barall as Deputy Assistant Secretary for Inter-American Affairs, effective October 3. (For biographic details, see Department of State press release 576 dated October 1.)

Russell Fessenden as Director, Office of European Regional Affairs, effective September 4.

Robert N. Magill as Deputy Director, Office of European Regional Affairs, effective September 4.

Robert G. Miner as Director, Office of Greek, Turkish, and Iranian Affairs, effective October 2.

John L. Roach as Director, U.S. Operations Mission, Nepal, effective September 29. (For biographic details, see Department of State press release 546 dated September 16.)

Leonard J. Saccio as Director, U.S. Operations Mission, Brazil, effective September 26. (For biographic details, see Department of State press release 557 dated September 26.)

William C. Wild, Jr., as Director, U.S. Operations Mission, Sudan, effective September 18. (For biographic details, see Department of State press release 560 dated September 26.)

Harry W. Yoe as Director, U.S. Operations Mission, The West Indies, effective September 21. (For biographic details, see Department of State press release 553 dated September 21.)

### Resignations

Leonard J. Saccio as Deputy Director of the International Cooperation Administration, effective September 26. (For an exchange of correspondence between President Eisenhower and Mr. Saccio, see White House press release dated September 22.)

### Check List of Department of State Press Releases: September 26-October 2

Press releases may be obtained from the Office of News, Department of State, Washington 25, D.C.

No.	Date	Subject
*557	9/26	Saccio designated USOM director, Brazil (biographic details).
†558	9/26	Upturn in issuance of visitors' visas.
†559	9/26	Delegation to 11th UNESCO General Conference (rewrite).
*560	9/26	Wild designated USOM director, Sudan (biographic details).
561	9/27	Visit of Prime Minister of Malaya (rewrite).
†562	9/27	Merchant: arrival of Crown Prince and Princess of Japan.
563	9/27	Western Commandants in Berlin reply to Soviet letter of September 13.
564	9/27	Visit of NATO Secretary-General.
565	9/28	Ireland credentials (rewrite).
566	9/28	Air talks with Denmark, Norway, and Sweden.
567	9/29	U.S. suspends operation of Nicaraguan nickel facility in Cuba.
568	9/28	Martin given rank of Ambassador (rewrite).
569	9/30	Delegate to ECE Timber Committee (rewrite).
†570	9/30	Program for visit of King and Queen of Denmark.
571	9/30	Signing of income-tax convention with Israel.
†572	9/30	Herter: independence of Nigeria.
573	9/30	Consulate general at Lagos, Nigeria, raised to Embassy (rewrite).
574	9/30	Advice to prospective travelers to Cuba.
575	9/30	Department protests Cuban nationalization of U.S. banks.
*576	10/1	Barall designated Deputy Assistant Secretary for Inter-American Affairs (biographic details).
577	10/1	Dillon: Polish National Alliance.

\*Not printed.

†Held for a later issue of the BULLETIN.

the Internat	Australia. British, Australian Prime Ministers Meet With President Eisenhower (texts of joint statements) . . . . .	596
September 2	Aviation. U.S. and Scandinavian Countries Conclude Air Consultations . . . . .	629
n President	Communism. A Broad Look at the International Situation (Dillon) . . . . .	597
ress releas	Congress, The. U.S. Participation in the United Nations During 1959 (Eisenhower) . . . . .	624
	Cuba	
	U.S. Citizens Advised To Refrain From Travel to and Within Cuba . . . . .	603
ber 2	U.S. Protests Nationalization of U.S. Banks in Cuba (text of U.S. note) . . . . .	603
Office of	U.S. Replies to Cuban Attack in General Assembly (Wadsworth) . . . . .	621
25, D.C.	United States To Suspend Operation of Nickel Facility in Cuba . . . . .	604
director,	Denmark. U.S. and Scandinavian Countries Conclude Air Consultations . . . . .	629
	Department and Foreign Service	
visas.	Designations (Barall, Fessenden, Magill, Miner, Roach, Saccio, Wild, Yoe) . . . . .	630
General	Post at Lagos Raised to Embassy . . . . .	630
or, Sudan	Resignations (Saccio) . . . . .	630
Malaya	Disarmament	
a Prince	A Broad Look at the International Situation (Dillon) . . . . .	597
lin reply	U.S. Views on Soviet Proposal To Enlarge Disarmament Committee . . . . .	620
er 13.	Economic Affairs	
eral.	ECE Timber Committee (delegate) . . . . .	628
way, and	The Financial Problems of a Developing World Economy (Anderson, Dillon, Eisenhower, Upton) . . . . .	607
Nicar	IDA Ready To Begin Formal Operations . . . . .	617
assador	United States To Suspend Operation of Nickel Facility in Cuba . . . . .	604
committee	Germany. Western Commandants in Berlin Protest East German Travel Curbs . . . . .	602
and Queen	Hungary. U.S. Supports Inclusion on General Assembly Agenda of Items on Tibet, Soviet Complaint of U.S. Aggression, and Hungary (Wadsworth) . . . . .	622
ion with	International Organizations and Conferences	
ria.	Calendar of International Conferences and Meetings . . . . .	606
Nigeria.	ECE Timber Committee (delegate) . . . . .	628
to Cuba.	The Financial Problems of a Developing World Economy (Anderson, Dillon, Eisenhower, Upton) . . . . .	607
ationali-	Graham A. Martin Given Rank of Ambassador by President . . . . .	621
Assistant	IDA Ready To Begin Formal Operations . . . . .	617
n Affairs	Ireland. Letters of Credence (Kiernan) . . . . .	605
nce.	Israel. Income-Tax Convention Signed With Israel . . . . .	629
	Malaya. Prime Minister of Malaya To Visit the United States . . . . .	605
	Mali. Mali and Senegal Admitted to U.N. (Wadsworth) . . . . .	618
	Mutual Security. Saccio resigns as deputy director, ICA . . . . .	630
	Nigeria. Post at Lagos Raised to Embassy . . . . .	630
	North Atlantic Treaty Organization. NATO Secretary General Visits Washington . . . . .	603
te Bull	Norway. U.S. and Scandinavian Countries Conclude Air Consultations . . . . .	629
	Poland	
	A Broad Look at the International Situation (Dillon) . . . . .	597
	General Pulaski's Memorial Day, 1960 (text of proclamation) . . . . .	602
	Presidential Documents	
	The Financial Problems of a Developing World Economy . . . . .	607
	General Pulaski's Memorial Day, 1960 . . . . .	602
	President Eisenhower Replies to Letter Regarding Meeting With Soviet Premier . . . . .	595
	U.S. Participation in the United Nations During 1959 . . . . .	624
	Senegal. Mali and Senegal Admitted to U.N. . . . .	618
	Sweden. U.S. and Scandinavian Countries Conclude Air Consultations . . . . .	629
	Tibet. U.S. Supports Inclusion on General Assembly Agenda of Items on Tibet, Soviet Complaint of U.S. Aggression, and Hungary (Wadsworth) . . . . .	622
	Treaty Information. Current Actions . . . . .	629
	U.S.S.R.	
	A Broad Look at the International Situation (Dillon) . . . . .	597
	President Eisenhower Replies to Letter Regarding Meeting With Soviet Premier . . . . .	595
	U.S. Supports Inclusion on General Assembly Agenda of Items on Tibet, Soviet Complaint of U.S. Aggression, and Hungary (Wadsworth) . . . . .	622
	U.S. Supports United Nations Against Soviet Attack (Wadsworth) . . . . .	619
	U.S. Views on Soviet Proposal To Enlarge Disarmament Committee . . . . .	620
	Western Commandants in Berlin Protest East German Travel Curbs . . . . .	602
	United Kingdom. British, Australian Prime Ministers Meet With President Eisenhower (texts of joint statements) . . . . .	596
	United Nations	
	Current U.N. Documents . . . . .	628
	Mali and Senegal Admitted to U.N. (Wadsworth) . . . . .	618
	President Eisenhower Replies to Letter Regarding Meeting With Soviet Premier . . . . .	595
	U.S. Participation in the United Nations During 1959 (Eisenhower) . . . . .	624
	U.S. Replies to Cuban Attack in General Assembly (Wadsworth) . . . . .	621
	U.S. Supports Inclusion on General Assembly Agenda of Items on Tibet, Soviet Complaint of U.S. Aggression, and Hungary (Wadsworth) . . . . .	622
	U.S. Supports United Nations Against Soviet Attack (Wadsworth) . . . . .	619
	U.S. Views on Soviet Proposal To Enlarge Disarmament Committee . . . . .	620
	Name Index	
	Anderson, Robert B . . . . .	607
	Barall, Milton . . . . .	630
	Bonsal, Philip W . . . . .	603
	Dillon, Douglas . . . . .	597, 607
	Eisenhower, President . . . . .	595, 602, 607, 624
	Fessenden, Russell . . . . .	630
	Kiernan, Thomas Joseph . . . . .	605
	Magill, Robert N . . . . .	630
	Miner, Robert G . . . . .	630
	Roach, John L . . . . .	630
	Saccio, Leonard J . . . . .	630
	Upton, T. Graydon . . . . .	607
	Wadsworth, James J . . . . .	618, 619, 621, 622
	Wild, William C., Jr . . . . .	630
	Yoe, Harry W . . . . .	630



the  
Department  
of  
State

UNITED STATES  
GOVERNMENT PRINTING OFFICE  
DIVISION OF PUBLIC DOCUMENTS  
WASHINGTON 25, D.C.  
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO ANY  
PAYMENT OF POSTAGE, \$300  
(GPO)

## DOCUMENTS ON DISARMAMENT

November 15, 1945, through December 29, 1959

This two-volume publication contains important postwar documents regarding negotiations on the international control of atomic energy, the reduction of armaments and armed forces, safeguards against surprise attack, the problem of nuclear weapons tests, various problems of outer space, and related questions.

All the papers in the collection have previously been released, but this is the first time that some of them have been made widely available. Volume I covers the years 1945-56 and Volume II the period 1957-59. The number of papers selected for the 5 years from 1955 through 1959 is much larger than for the preceding 10 years. This is because the developments of recent years bear more directly upon the current negotiations in this general field and because recent years have witnessed intensified discussion of nuclear testing, safeguards against surprise attack, and outer space.

Publication 7008

Price: \$4.50

### Order Form

To: Supt. of Documents  
Govt. Printing Office  
Washington 25, D.C.

Enclosed find:

\$ \_\_\_\_\_  
(cash, check, or money  
order payable to  
Supt. of Docs.)

Please send me....copies of *Documents on Disarmament*.

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, Zone, and State: \_\_\_\_\_



USE TO AVOID  
PAGE, \$300

1-  
of  
s,  
o-  
s.  
l,  
y  
ne  
rs  
0  
re  
d  
1-  
e.